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Ottawa Summit Concludes Without Economic Accord

By Henry Giniger
New York Times Service
OTTAWA — The United States and six other industrial democracies concluded their seventh annual economic summit conference with a pledge to "reexamine their economic policies, but with no precise agreement on how to accomplish this in the immediate future."
Led by President Reagan, the leaders of Britain, Canada, France, Italy, Japan and West Germany expressed "satisfaction" Tuesday with the outcome of the meeting, and they agreed to meet again next year in France.
The leaders spoke to reporters from the stage of the opera house in the National Arts Center and, for the most part, were careful to emit only sounds of harmony.
But the partners had brought with them basic grievances against the United States, notably for its high interest rates, and some of these persisted. After two days of what one official called "sometimes brutal discussions," the United States made no concessions on economic policies.
Mr. Reagan said: "We leave with a true sense of common understanding and common purpose." He expressed gratitude to the others "for the understanding and support for the economic poli-

cies we have embarked upon in the United States."
The long and carefully balanced final statement smoothed out basic disagreements in promising a twin effort to defeat inflation and unemployment, to avoid economic protectionist policies and to help the poor nations.
It avoided short-range predictions or promises and represented a compromise between countries like France that are worried mostly about unemployment and those like the United States that are aiming mainly at the reduction of inflation.
"We see low and stable monetary growth as essential to reducing inflation," the communiqué said. "Interest rates have to play their part in achieving this and are likely to remain high where fears of inflation remain strong."
Having reflected U.S. monetary policy, the statement went on: "We are fully aware that levels and movements of interest rates in one country can make stabilization policies more difficult in other countries by influencing their exchange rates and their economies."

The demands of the French, the West Germans, the Italians and the Canadians were thus met.
Absent from the document was any commitment by the United States to bring down interest rates soon, although Mr. Reagan and his officials held out hope that this might happen before the end of the year.
President Francois Mitterrand of France, who pointedly suggested in his closing statement that there was no agreed conclusion on some points, told the Americans during the talks that any extension of high rates beyond the end of the year would be "intolerable."
The leaders agreed that a balanced range of policies would be needed to reduce inflation and to achieve higher investment and sustainable growth. The various peoples, their statement said, had to appreciate the need for a change in expectations about growth and earnings, about management and labor relations and change in the direction, scale and pattern of industrial investment. It was agreed, also, that most countries needed "urgently to reduce public borrowing and increase support for productive investment and innovation."
But the Europeans, particularly the French, were vexed about the (Continued on Page 2, Col. 2)



While a press aide tried to get national leaders to line up for a photograph at the Ottawa summit of industrialized states, West German Chancellor Helmut Schmidt, left, jokingly went into a crouch. Next in line is President Reagan, followed by Canadian Governor General Edward Schreyer, Canadian Prime Minister Pierre Elliott Trudeau and French President Francois Mitterrand. Mr. Mitterrand is partly hidden by Japanese Premier Zenko Suzuki, foreground.

Israeli Planes, PLO Artillery Continue Duel

By William Claiborne
Washington Post Service
JERUSALEM — As U.S. special envoy Philip C. Habib sought a cease-fire in the Israeli-Palestinian war of attrition, both sides exchanged artillery fire Wednesday in some of the heaviest shelling since the start of the current escalation, and Israeli jets attacked Palestinian positions in southern Lebanon.
Five times during the day, Palestinian guerrillas fired artillery and mortars into the southern Lebanese enclave controlled by Israeli-supported Christian militia and unleashed missile salvos into the northern Galilee region of Israel.
Israeli gun emplacements along the border and inside Lebanon answered with heavy bombardments of the southern Lebanese towns of Nabatieh, Amoun, Hasbaya and the Palestinian stronghold at Beaufort Castle, the UN Interim Force in Lebanon headquarters in Naqurah said.
Israeli fighter-bombers attacked a Palestinian position Wednesday afternoon at the Zaharani estuary and bombed a trail in the vicinity of Kasma, the Israeli Army command said. The trail, an army spokesman said, had been intended for use by the guerrillas to bypass a bridge over the Litani River that had been destroyed by the Israelis.
[Area security forces said Israeli jets raided southern Lebanon's Mediterranean coast, setting huge fires at an oil refinery, destroying bridges and killing about 48 civilians. Reuters reported from Beirut.]
In the early morning hours, Israeli Navy gunboats shelled Palestinian targets along the coast between the port cities of Tyre and Sidon, the army command confirmed.
However, the army spokesman denied claims made in Beirut that an Israeli armored column, supported by helicopter-borne troops, had attempted an incursion near Beaufort Castle and had been repulsed by guerrillas.
"It didn't exist," said an army command spokesman, referring to the alleged raiding unit. The spokesman also denied a claim by the Palestine Liberation Organization in Beirut that an Israeli soldier had been captured during an attempt Monday to land a force on the coast south of Sidon.
Meanwhile, Prime Minister Menachem Begin, in an apparent attempt to dissociate himself from the notion that Mr. Habib's shuttle between Jerusalem and Beirut might imply indirect Israeli contact with the PLO, said that the term "cease-fire" did not figure at all in his discussions Tuesday with the U.S. envoy.
Mr. Begin, while touring shelled (Continued on Page 2, Col. 6)

Distance Traveled at Summit Seen as Little More Than Symbolic

By Steven R. Weisman
New York Times Service
OTTAWA — Summarizing the proceedings at this seventh annual economic summit conference of the major industrial democracies, Prime Minister Pierre Elliott Trudeau of Canada maintained midway through the meeting that each participant "went some distance" in accommodating the views of the others.
But as the comments of officials from the conference nations made clear Tuesday evening at the end of the gathering, the distance traveled was in most cases little more than symbolic, and the deep economic divisions and differences of perspective remained, as expected.
What seemed important to the participants was a sense of heightened morale derived from the fact that, for all their disagreements, they could unite around broad objectives: free trade, improving the economic lot of the poor nations of the world, and above all the need to be more sensitive to the potential adverse impact that each country's economic policies might have on the others.

In the 2,000-word communiqué, moreover, there was language that each leader could point to as evidence that his or her perspective was reflected. In most cases, however, such language was a tribute to the artfulness of the drafters of the statement in finding phrases to submerge, rather than bridge, those differences.
Perhaps the deepest economic cleavage of the conference in Ottawa, for example, stemmed from President Reagan's priority of getting inflation under control as contrasted with the rising concerns of the Europeans about lagging economic growth — and even, as the French warned, possible social unrest arising from record unemployment rates.
The Europeans fear that as high U.S. interest rates force their rates up, European hopes for economic recovery may be choked off in the process.
Like the political document it is, the Ottawa communiqué papered over this fundamental difference of perspective by saying simply that both inflation and unemployment "must be our highest priority and these linked problems must be tackled at the same time."
Aides to French President Francois Mitterrand frankly expressed disappointment that the final statement (Continued on Page 2, Col. 3)

Allies Scramble to Catch Up to U.S. Media Blitz
By Andrew H. Malcolm
New York Times Service
OTTAWA — While the senior U.S. official began his detailed briefing on happenings at the summit meeting 40 miles away, his aides quietly scurried among the hundreds of attentive, news-hungry journalists in the auditorium. With whispers, nods and little torn pieces of paper as their tools, the aides were inviting selected journalists to "private" meetings in rooms upstairs.
There, like a news assembly line, President Reagan's Cabinet secretaries and advisers, hurriedly flown to town for the meetings, gave journalists after journalist their detailed American version of events at the isolated meetings of seven Western leaders.
Each meeting with a reporter carefully included a dose of "inside" information.
Within an hour, complete transcripts of the briefings and broadcast interviews were available downstairs along with "pool" reports from reporters at the distant meeting site, Chateau Montebello.
It was a classic example of the use of information as power.
With the other countries providing little or no helpful information to the journalists under pressure (Continued on Page 2, Col. 4)

home offices in virtually every time zone, the White House press operation employed helicopters, speaker phones, hurried meetings in speeding cars, squads of transcribers, a bevy of copying machines and nonstop briefings and interviews to simply steamroll "the" minimal, sometimes reluctant, public relations efforts of the others.
The results often left officials of the other nations — Britain, Canada, France, Italy, Japan and West Germany — on the defensive, scrambling to alter, deny or confirm initial impressions distributed by the Americans, even as these impressions were being flashed to the world by more than 1,500 journalists.
And the information juggernaut helped create an impression among some that this Western summit gathering, Mr. Reagan's first, was a triumph for him. Already, newspaper columns were appearing in Ottawa calling him the "natural leader of the Western alliance."
The Reagan information operation, the most extensive of his presidency, according to White House correspondents, had its roots in the administration's defensive anticipation of considerable criticism from allies over such issues as high interest rates.
The United States arranged a separate briefing (Continued on Page 2, Col. 4)



Agca Given Life Imprisonment For Attempting to Murder Pope

By Henry Tanner
New York Times Service
ROME — Mehmet Ali Agca, a self-styled terrorist whose connections are either nonexistent or unknown, was sentenced Wednesday to life imprisonment for attempting to assassinate Pope John Paul II and wounding two American women in St. Peter's Square on May 13.
The court of two judges and six jurors also ruled that Mr. Agca must spend the first year of his sentence in solitary confinement.
In announcing the verdict without the defendant present, the presiding judge, Severino Santiapichi, rejected a plea by the court-appointed defense lawyer, Pietro d'Ovidio, to reduce the sentence to 30 years on the grounds that Mr. Agca could not be held accountable for his acts.
Mr. Agca has been boycotting the proceedings since Monday, the first day of the trial, when he told the court that he did not recognize his right to try him for an act that, he, a non-Italian, had committed outside Italy on the territory of the independent Vatican state. "The trial is over; thank you!" he shouted. There was never any doubt that (Continued on Page 2, Col. 3)

Mr. Agca fired the shots that almost killed the pope and then hit and seriously wounded two American women, Ann Odre, 58, of Buffalo, N.Y., and Rose Hull, 21, who lives in West Germany. Mr. Agca himself admitted his guilt almost nonchalantly when he told the court, as part of his challenge to its jurisdiction, "I found myself within the Vatican and this was when I shot the head of state."
The pope is recovering slowly, and the Vatican reported Wednesday that his doctors might decide Thursday whether to let him return to his apartment. The Vatican had no observers in the courtroom during the trial.
Prosecutor Nicolò Amato told the court Tuesday that authorities have no conclusive evidence of an international plot. On Wednesday he told reporters that the investigation would continue.
Wednesday's Vatican newspaper, *L'Osservatore Romano*, wrote that questions will always remain. This is in line with previous statements leaving open the question of whether Mr. Agca had acted as a misguided individual or as part of an organization.



U.S. Relaxes Policy On Latin America

By Cynthia Gorney
Washington Post Service
BUENOS AIRES — Acting on highly publicized and controversial orders from the State Department, U.S. representatives to the World Bank have voted in favor of two energy development loans, totaling \$300 million, for Argentina.
The votes, cast at a World Bank meeting July 7, broke a four-year U.S. tradition of abstaining on or refusing loans to countries considered to be human rights violators, one of the hallmarks of former President Jimmy Carter's foreign policy. They also added considerably to the Washington debate over how the Reagan administration has mapped out a new world alignment of the United States' friends and enemies.
Both critics and supporters have acknowledged that the Argentinean votes were devoid of almost any but symbolic meaning — although the symbolism has been important to the Carter and Reagan administrations. The loans, like every other World Bank or Inter-American Development Bank loan granted to Argentina in recent years, would have been approved regardless of the U.S. vote.
In 1977, an act of Congress prohibited the United States from approving almost any World Bank or Inter-American Development Bank loans to countries exhibiting a "consistent pattern of gross violation of human rights." The act exempted only those loans aimed at "basic human needs." From then until the recent Argentinean loan approval, U.S. representatives abstained or voted no on all loans not involving "basic human needs" to the four nations that make up what is known as South America's southern cone — Argentina, Chile, Paraguay and Uruguay.
Although there was never a blanket directive labeling the four countries "consistent and gross violators," each loan application was studied by an interagency working group of U.S. officials who assessed the human rights situation in the country in question. In every instance, during the Carter years, the situation was found to be so bad — disappearances, political prisoners, torture, arbitrary detentions — that U.S. approval was withheld.
When Secretary of State Alexander M. Haig Jr. two weeks ago de- (Continued on Page 2, Col. 1)

Royal Couple to Visit Gibraltar Despite Spain's Wedding Boycott

By R.W. Apple Jr.
New York Times Service
LONDON — The British government Wednesday rejected suggestions that Prince Charles and Lady Diana Spencer begin their Mediterranean honeymoon cruise in some port other than Gibraltar despite a decision by the Spanish royal couple to boycott the wedding as a protest against the planned Gibraltar stop.
The couple's honeymoon plans have led to a diplomatic dispute between Britain and Spain. Gibraltar, a British enclave since 1713, is claimed by Spain, and King Juan Carlos I and Queen Sofia announced Tuesday night that they had canceled their plans to attend the royal wedding next Wednesday as a protest against the stoppage.
The decision resulted from the newlyweds' plan to board the royal yacht, *Britannia*, at Gibraltar for a two-week honeymoon cruise in the Mediterranean after spending their first two nights at Broadlands, the Hampshire country estate of the late Earl Mountbatten of Burma.
Gibraltar, a tiny enclave near the southern tip of the Iberian peninsula, has long been a subject of dispute between the two nations, and the issue is one of the most emotional in Spanish politics. Leaders of most political parties have demanded that the British withdraw.

A spokesman for the Spanish Foreign Ministry described the plan to have Prince Charles and Lady Diana travel to Gibraltar as "inopportune, gratuitous and mistaken." The Spanish government and royal family, he said, had decided jointly that the king, queen and their three children should cancel plans to attend the wedding at St. Paul's Cathedral.
[Buckingham Palace said Wednesday that the British royal family was saddened by the Spanish decision. Reuters reported from London. A British Foreign Office spokesman said: "I would like to deprecate the suggestion that we are discussing a major diplomatic row. I do not doubt that the excellence of our relations with Spain will not be affected by this incident."
The Foreign Office has been trying to negotiate a settlement of the Gibraltar dispute as part of the preparation for Spain's upcoming entry into the Common Market. Last week, Lord Carrington, the British foreign secretary, met Spanish officials in Brussels and said afterward that the border between Gibraltar and Spain — which was closed in June, 1969 — might be reopened in a relatively short time.

In Britain's House of Commons on Wednesday, two members of Parliament compared the snub to Spanish behavior under the dictatorship of Franco, and several others proposed that the royal itinerary be changed in deference to Spanish political sensibilities.
"Sense of Proportion"
"We are talking about the honeymoon of the Prince of Wales and Lady Diana Spencer," said Sir Ian Gillmor, the deputy foreign secretary. "It is their honeymoon and no one else's. It is for no one else to interfere with it. We at least wish to keep a sense of proportion in this matter. But it does seem surprising that Spain should have made an issue out of a private visit, at a time when we have been trying to improve relations between the two countries."
A Foreign Office statement said the last-minute cancellation would not lead Britain to withdraw its support for Spain's bid to join the European Economic Community. While greatly irritated by the incident, officials said they believed that King Juan Carlos had been under intense domestic political pressures to take a stand.
Buckingham Palace said Gibraltar had been chosen as the boarding port after several alternatives were considered and after the advice of the Foreign Office had been sought. It was reported that the Spanish minister of foreign affairs, José Pedro Pérez Llorca,

had called Lord Carrington — who is at the economic summit in Ottawa — this weekend in a futile bid to have the arrangements changed.
Prince Charles and Lady Diana will arrive in Gibraltar by plane late in the afternoon on August 1. They will drive through the crown colony to the berth of the royal yacht, which will sail about 1 hour and 40 minutes after the couple's plane lands.
Sir Joshua Hassan, the chief minister of Gibraltar, predicted Wednesday that the entire population of 27,000 would be in the streets to greet the honeymooners. Gibraltar is a bastion of monarchist sentiment. Sir Joshua said he regarded the Spanish cancellation as "childish."
Poll Favors Eventual Abdication
LONDON (AP) — Sixty-three percent of the Britons surveyed in a poll published Wednesday think Queen Elizabeth, 55, should abdicate eventually so that Prince Charles, 32, can reign while he is still young.
But only 10 percent of the 744 persons interviewed for the Marplan poll, published in *The Guardian*, believed the queen should abdicate immediately. Another 24 percent wanted the queen to remain on the throne until she dies and the other 3 percent expressed no opinion.

INSIDE
Kabul Battle
Three days of sustained battling around a Kabul suburb last week are described as some of the fiercest fighting near the capital since the onset of Afghanistan's guerrilla war. Page 2.
Casey Probe
Sen. Daniel P. Moynihan charges that the White House and Justice Department have ignored repeated Senate requests for confidential files relating to the business dealings of CIA Director William J. Casey. Page 3.
U.S. GNP Falls
The U.S. gross national product, hit by high interest rates, fell at a 1.9 percent seasonally adjusted annual rate in the second quarter, the Commerce Department reports. Page 7.

Sustained Battle Reported Outside Kabul

By Michael T. Kaufman
New York Times Service

NEW DELHI — Three days of sustained battle last week were described in Western diplomatic reports here Wednesday as some of the costliest fighting near the Afghan capital, Kabul, since the arrival of Soviet troops.

Diplomatic reports agreed that the fighting centered around the

town of Paghman, 16 miles (26 kilometers) northwest of the capital and once a community of summer villas. More recently the town and the hills around it have sheltered groups of Islamic guerrillas who raided Soviet and government positions.

On July 14, after repeatedly warning the civilian population of the area to evacuate their homes,

Soviet and Afghan forces began a clearing operation involving artillery shelling and rocketing from helicopter gunships. Civilian casualties were said to have been high, and the diplomats told of hearing from people who have returned to look for survivors that in some places corpses were stacked like firewood.

A force of 300 recruits from the

military academy in Kabul was sent in to search for the rebels. The cadets were reportedly encircled and ordered to either join the rebellion or die. Informants said that 200 cadets defected while about 100 were killed.

Unusual TV Funeral

The report about the cadets was given weight by the unusual broadcast on Kabul television of the funeral of 30 cadets described as martyrs. The diplomats said the showing of the bodies on television followed a protest at a hospital where relatives of cadets shouted abuse at the government.

The episode involving the cadets took place on July 14, and during the next two days aerial attacks on villages and areas of Paghman were intensified in what a diplomatic report described as a punitive effort. In one instance, according to two separate Western diplomatic reports, Soviet and Afghan troops were strafed and bombed accidentally by Soviet helicopters.

Rebel groups apparently were being fortified by guerrillas arriving in the Paghman area from nearby provinces as word of the fighting spread. On the second evening the rebels attacked a government military encampment at a former botanical garden on the outskirts of Paghman, but after heavy fighting they were pushed back.

One source told a Western diplomat that in order to intimidate the local residents, a Soviet armored personnel carrier traveled from one end of town to the other for four hours after midnight firing a heavy machine gun indiscriminately in all directions.

U.S. Eases Latin American Loan Policy

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country, here is a comparison between 1977 and 1981:

Argentina: By the end of 1977, the Buenos Aires-based Permanent Assembly for Human Rights had received testimony on the disappearance of 1,200 people.

The cumulative total — people kidnapped or arrested who vanished without a trace — now stands at about 5,800 in the assembly's records, although members believe as many as twice that number may have disappeared without leaving relatives willing to report it.

In 1980, outside organizations such as Amnesty International reported to the assembly a total of 40 cases of disappearances, but the assembly itself received only 18 reports. This year, according to assembly members, a western Argentine man who apparently had belonged to the Socialist Party was kidnapped and later found dead.

In 1977, the assembly's records indicate, about 3,600 people were in jail under a special government dispensation that allows authorities to arrest and hold suspected political subversives or terrorists with or without formal charges.

Last January, according to public statements by Interior Ministry spokesmen, 900 people remained under this special executive power. 300 of them without ever having been charged. Assembly members, who have similar figures on the number of people under executive power, say that many of those who were charged have either completed their sentences or spent more than four years in prison with cases pending.

Political and labor activity is still illegal. Arrests and temporary detentions of union and political leaders are routine, if somewhat haphazard.

Chile: Of the approximately 700 disappearances reported to the Vicariate of Solidarity, the church-connected human rights organization generally viewed as the most reliable source of such information, only 14 took place in 1977. The last disappearance reported to the church was in January, 1978.

In 1977, following a large-scale release of political prisoners the year before, about 20 persons were in jail on what church records show as political charges. They now list 134 political prisoners — not including those who have been charged with allegedly politically inspired violent crimes.

In addition, during the first five months of 1981, 49 persons were sentenced — under an administrative procedure for political charges that grants no due process — to three months of internal banishment, meaning they were sent without money or provisions into small, isolated towns and told to fend for themselves and check in with the police on a regular basis.

During the first five months of 1977, 104 persons were detained on political charges, mostly for nonviolent offenses, according to church records. During the same period in 1981, 578 persons were detained. The church has received 29 reports in 1981 from people who said they had been tortured by the Chilean secret police. Labor organizing and political activity also are illegal.

Uruguay: In 1977, Amnesty International estimated that there were 6,000 political prisoners in Uruguay, and that 50,000 people had been detained at one time or another since the 1973 military coup, giving Uruguay the dubious distinction of having the most political prisoners per capita in the world.

The current number of what human rights groups refer to as political prisoners is estimated at between 1,100 and 1,500. The male prisoners are mostly housed at La Libertad, a prison that an Interna-

tional Red Cross report late last year strongly condemned for torturing and "bringing about the physical and moral breakdown" of its prisoners.

Political activity has been illegal since 1973, and former political leaders are either exiled or officially banned from working in politics. But the atmosphere has loosened somewhat since voters in a national plebiscite soundly rejected a new constitution late last year.

Paraguay: In 1976, according to Washington-based experts on Paraguay, the country had 6,000 political prisoners, some of whom had been held as long as 19 years without trial. The number is now about 30, and late last year Paraguay was taken off the United Nations' active list of countries most imperiling human rights.

A general loosening of the political climate — fewer press restrictions, more church activity in caring for prisoners and monitoring human rights — drew praise for the Paraguayan government even from groups such as Amnesty International.

Paraguay has refused to allow the Organization of American States' Inter-American Commission on Human Rights to investigate conditions in the country, however, and the government's sale of Indian-occupied lands has come under international criticism recently and been described in several studies as "genocide."

matters cannot be isolated from one another and treated separately.

As in the case of monetary policy, there was no consensus on how to carry on commercial relations with the Soviet Union. The leaders agreed to coordinate action to ensure that "our economic policies continue to be compatible with our political and security objectives."

A high-level meeting is to be held this fall to review what the United States would like to be a tightening up of trade with the Soviet bloc. But the French and West Germans made clear their wariness of any policy that might cut their trade relations with Eastern Europe.

A French spokesman said that if the United States sought to reduce the transfer of technology to the Soviet Union, France would raise questions about U.S. grain sales, during a meeting in which the West would "have to put all its cards on the table."

There was more agreement on the need for strong defense to offset the buildup of Soviet military power. This goal was laid out in a special political statement, which added that the West also sought "balanced and verifiable arms control and disarmament agreements."

Ottawa Summit Concludes Without Economic Accord

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damping effect of U.S. interest rates on investment at home and the fact that the increase in the value of the dollar had raised their energy import costs.

Not Dissatisfied to Change

Mr. Reagan, while expressing his understanding of European difficulties and protesting that high rates did not result from U.S. policy but from the domestic economic situation, showed little disposition to make immediate changes.

Chancellor Helmut Schmidt of West Germany, one of the sharpest critics along with Mr. Mitterrand, noted in closing that "the United States had expressed its intention to do its best to bring down interest rates." But he warned that his country would have to take "certain decisions," which he did not specify.

Making no concession on monetary policy, the United States did give some satisfaction to the Canadians, the French and the West Germans on the so-called North-South problem, expressing willingness "to participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress."

The Canadians, in particular, greeted this as a major concession by the Reagan administration after it had expressed little interest in and some puzzlement about global negotiations.

But Richard V. Allen, Mr. Reagan's national security adviser, told reporters that the United States still wanted to know what was involved in such negotiations before making any specific commitment.

[Japanese Premier Zenko Suzuki said at the closing news conference that "pledging ourselves to free trade institutions is the most important fruit out of this summit." United Press International reported. Japan has been engaged in drawn-out negotiations with both the United States and the European Economic Community in recent months over what the other industrialized states see as unfair Japanese trade practices.]

Secured Side

The seven leaders, along with Gaston Thorn, head of the European Commission, held most of their discussions in the seclusion of Chateau Montebello, a lodge 40 miles (64 kilometers) from Ottawa.

In their final formal statement, and in their meeting with reporters, the leaders placed heavy emphasis on political problems, notably their relations with the Soviet bloc. It was the most marked departure from previous summit meetings. But as Prime Minister Margaret Thatcher of Britain explained: "Political and economic

offer. The United States will continue to rely on official channels, which are adequate, Mr. Mallock told Mr. Arbatov, according to the sources.

Both Mr. Arbatov and Mr. Mallock declined on Wednesday to discuss the matter. But both Soviet and U.S. sources privately confirmed the substance of the story.

According to a U.S. executive's account of his conversation with Mr. Arbatov some weeks ago, the Soviet official advanced the suggestion when he said that in these difficult times the Americans may want to have private access to the top men in the Kremlin.

The executive quoted Mr. Arbatov as saying that if the Americans wanted such access without going through official channels, he, Mr. Arbatov, was prepared to serve as a confidential back channel.

Several other U.S. visitors here have reported similar suggestions by Mr. Arbatov.

There was speculation among Western diplomats that Mr. Arbatov's overture may reflect the rivalry that reportedly exists between him and the Soviet ambassador in Washington, Anatoli F. Dobrynin.

But knowledgeable Soviet sources dismissed such speculations by saying that the absence of Soviet-American dialogue and deterioration in relations was a serious matter and that Moscow was trying to use "any means" to restore substantive contacts.

10 Killed in Philippines

United Press International

MANILA — A runaway trailer plowed into a row of houses along a highway at Calamba outside Manila, killing 10 persons and injuring 35, police said Wednesday.

U.S. Leads Media Blitz

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eration in the Skyline Hotel. From the moment Mr. Reagan's plane landed in Canada, when David R. Gergen, White House communications director, held his first news conference, the information barrage was on.

Reporters from the other participating countries could go to their own press operation. Or they could go to the White House press center, which provided reports from the scene, transcripts of participants' television remarks including some criticism of the United States by West German Chancellor Helmut Schmidt, and every couple of hours direct access to leading Reagan administration officials.

Many of these officials, such as Richard V. Allen, national security adviser, were on the record and permitted direct quotation, a rarity back in Washington but a precision that adds more clout to such news stories back home. Some, such as Secretary of State Alexander M. Haig Jr., spoke to the auditorium by telephone, with reporters directing questions to an empty podium.

Others, such as Edwin Mose 3d, White House counselor, appeared in person. They talked of major Middle East developments and formed an impression of broad support for U.S. policies among the other six countries.

They also spoke of rushing off to a helicopter back to the meetings, but actually they rushed upstairs to adjacent hotel rooms. There, they shuttled back and forth, granting a series of "exclusive" interviews to those specially invited. Other reporters had access by telephone or rode with a Reagan aide in his car as it sped to the helicopter.

Although most countries offered briefings later, they found themselves reacting to the earlier American accounts.

In contrast, non-Japanese reporters had to beg Tokyo's officials to provide someone to answer questions.

Something for Everyone In Summit Communiqué

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ment had not gone further in recognizing the especially sluggish condition of the French economy.

The "soft language" of the communiqué, one French official said, disguised the fact that "sometimes brutal" exchanges took place on this subject behind the scenes.

West German officials, meanwhile, continued suggesting that there remained limits to their patience with the United States on interest rates, even though they understood perhaps better than before that Mr. Reagan was very concerned himself about bringing them down.

For their part, aides to Mr. Reagan noted that the communiqué included a statement that everybody was "fully aware that levels and movements of interest rates in one country can make stabilization policies more difficult in other countries." The Americans were pleased with the communiqué on several accounts, and administration officials said they managed to insert language that they wanted in several instances, or to head off language that they did not like in others. But in most cases the U.S. triumph seemed to be one of language rather than policy.

For example, Mr. Reagan was reported to have asked at the final summit meeting Tuesday that a paragraph be inserted pledging future consultations "to improve the present system of controls on trade in strategic goods and related technology" with the Soviet Union.

The paragraph was accepted, but French and West German officials afterward reiterated their insistence that such restrictions — which would be a sacrifice for them — would have to be considered in the context of an examination of Mr. Reagan's earlier decision to resume grain shipments to the Soviet Union.

Chancellor Helmut Schmidt of West Germany, going further, reportedly persisted in his plans for a pipeline importing natural gas from Siberia, despite U.S. fears of increased European dependence on Soviet energy resources. West German officials noted the absence of any reference to the pipeline in the communiqué.

In the view of the leaders of Canada and France especially, the greatest U.S. concession was on the subject of aid to the Third World.

For more than a week in preliminary consultations, U.S. negotiators had opposed any reference in the final communiqué to the Cana-

Poland Marks Anniversary Of Communism in Low Key

By Brian Mooney

Warsaw — The 37th anniversary of the proclamation of Communist rule in Poland was marked with low-key celebrations Wednesday after government negotiators narrowly avoided the embarrassment of the ceremonies being marred by impending strikes.

Two government teams reached agreement with airline employees and dockworkers to head off threatened walkouts only hours before the celebration of the anniversary, which is a public holiday.

Employees of the state airline LOT Tuesday night suspended plans for a three-day strike starting Friday after receiving a letter from Premier Wojciech Jaruzelski that they regarded as basically sympathetic to their demands for self-management.

Maritime Minister Stanislaw Bejger signed an agreement granting the dockworkers a new charter on pay and conditions early Wednesday after 15 hours of negotiations, averting a shutdown of Baltic ports beginning Thursday.

The news agency PAP said the charter was effective March 1 of this year.

In Zurich, meanwhile, a multinational task force of bankers announced agreement Wednesday night on rescheduling Poland's 1981 debt to Western banks. They will submit their proposals to a Polish delegation in Zurich on Thursday.

A communiqué issued after a meeting by the task force representing 21 banks in 12 countries said unanimous agreement was reached on all issues that were still outstanding. However, it gave no details of how the debt owed to 460 banks will be restructured to allow Poland more time for repayment.

The low-key celebration of the Communist anniversary was in keeping with the changed political and economic conditions. Plans to celebrate the event last year in Lublin, where the proclamation was made in 1944, were scrapped in the wake of a crippling strike in the city.

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U.S. Reportedly Rejects Secret Kremlin 'Channel'

By Dusko Doder

Washington Post Service

MOSCOW — The Soviet Union has recently suggested a secret channel of communications to the White House in an effort to reopen substantive contacts but the offer was promptly rejected by Washington, according to well-informed sources.

The Russians made the overture apparently hoping that a secret back channel would draw the new administration into communication on East-West relations and arms control issues despite President Reagan's anti-Soviet rhetoric.

The U.S. rebuff reportedly has led Soviet officials to take Mr. Reagan's public pronouncements at face value and has strengthened the impression in Moscow that the United States has lost interest in peaceful working relations with the Soviet Union.

The suggestion of a secret channel was advanced by Georgy A. Arbatov, the Kremlin's leading U.S. expert, in talks with several U.S. business executives visiting Moscow recently. Relayed to Washington, Mr. Arbatov's overture is said to have annoyed senior U.S. officials.

The U.S. chargé d'affaires in Moscow, Jack Matlock, was instructed to see Mr. Arbatov, who is a member of the Communist Party's policy-making Central Committee, and formally decline the

offer. The United States will continue to rely on official channels, which are adequate, Mr. Mallock told Mr. Arbatov, according to the sources.

Both Mr. Arbatov and Mr. Mallock declined on Wednesday to discuss the matter. But both Soviet and U.S. sources privately confirmed the substance of the story.

According to a U.S. executive's account of his conversation with Mr. Arbatov some weeks ago, the Soviet official advanced the suggestion when he said that in these difficult times the Americans may want to have private access to the top men in the Kremlin.

The executive quoted Mr. Arbatov as saying that if the Americans wanted such access without going through official channels, he, Mr. Arbatov, was prepared to serve as a confidential back channel.

Several other U.S. visitors here have reported similar suggestions by Mr. Arbatov.

There was speculation among Western diplomats that Mr. Arbatov's overture may reflect the rivalry that reportedly exists between him and the Soviet ambassador in Washington, Anatoli F. Dobrynin.

But knowledgeable Soviet sources dismissed such speculations by saying that the absence of Soviet-American dialogue and deterioration in relations was a serious matter and that Moscow was trying to use "any means" to restore substantive contacts.

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Police Commissioner Nick Heggord was muffled but unbowed while observing anti-apartheid protesters, one of whom was armed with a bulldozer, at a rugby match involving a South African team Wednesday in Gisborne, New Zealand.

Protests Mark Springboks' Opener in New Zealand

GISBORNE, New Zealand — Police arrested 111 persons in demonstrations throughout New Zealand on Wednesday and a wild brawl developed between police and protesters at the Gisborne stadium as the South African Springboks rugby team played the first match of its controversial tour of New Zealand.

The South African players seemed not to notice the commotion outside the stadium as they went on to trounce the local Poverty Bay team, 24-6.

Police said they would call in reinforcements for future matches, and Chief Superintendent Brian Davies said riot gear was available to police but added that "we are a long way from that."

Mr. Davies, commander of "Operation Rugby," designed to contain violence during the tour of South Africa's national team, said the attacks on police lines at the Gisborne field were the worst demonstrations in New Zealand in 10 years.

Some 500 anti-apartheid demonstrators burst through a police line in an attempt to pull down a chain-mesh fence and gain entry to the ground. Jeering rugby supporters kicked and punched the protesters and hurled soft-drink cans at them as police tried to push the demonstrators, many of them women, back from the fence. Policemen wrestled with protesters in the muddy field as demonstrators repeatedly charged the police line.

A police spokesman said 13 persons were arrested and two were treated at a local hospital for minor injuries. Inside the ground, 15,000 spectators cheered the police and shouted for them to arrest the protesters.

The demonstration at the field was part of a "national day of shame" organized by a group called Halt All Racists Tours.

In simultaneous demonstrations around New Zealand, 8,000 people marched in the southern city of Christchurch and 26 were arrested for sitting down in the streets, police said.

In Wellington, the New Zealand capital,

3,000 protesters marched to Parliament House and the South African Embassy. Twenty-five persons were arrested after the governing National Party headquarters was occupied for 30 minutes and anti-tour literature was tossed from the windows. The embassy building and police were pelted with eggs while a few tour supporters also hurled eggs at the demonstrators.

The National Party headquarters at Dunedin on the South Island was also occupied by demonstrators who chained themselves to office furniture. Police used bolt cutters to free them and arrested eight for trespassing. In Auckland, New Zealand's largest city, a crowd of about 1,000 caused chaos during rush hour as it marched through the streets to Eden Park, the main rugby field, and attempted to break down the gates.

There were other protests in Hamilton, where the Springboks play Saturday in their second game. Anti-tour organizers have promised an all-out effort to halt the tour there.

Poland Marks Anniversary Of Communism in Low Key

Warsaw — The 37th anniversary of the proclamation of Communist rule in Poland was marked with low-key celebrations Wednesday after government negotiators narrowly avoided the embarrassment of the ceremonies being marred by impending strikes.

Two government teams reached agreement with airline employees and dockworkers to head off threatened walkouts only hours before the celebration of the anniversary, which is a public holiday.

Employees of the state airline LOT Tuesday night suspended plans for a three-day strike starting Friday after receiving a letter from Premier Wojciech Jaruzelski that they regarded as basically sympathetic to their demands for self-management.

Maritime Minister Stanislaw Bejger signed an agreement granting the dockworkers a new charter on pay and conditions early Wednesday after 15 hours of negotiations, averting a shutdown of Baltic ports beginning Thursday.

The news agency PAP said the charter was effective March 1 of this year.

In Zurich, meanwhile, a multinational task force of bankers announced agreement Wednesday night on rescheduling Poland's 1981 debt to Western banks. They will submit their proposals to a Polish delegation in Zurich on Thursday.

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Formation of Dutch Government Hits a Snag

THE HAGUE — Chances for a new center-left Dutch government recorded Wednesday when the three parties involved criticized a draft coalition program.

Under the program, a new government would tell NATO that the Netherlands will postpone a decision on whether to accept 48 U.S. missile squadrons. Dutch politics have been torn for the past two years by the issue of NATO missile bases.

The scene was set for a new government Tuesday when leaders of the Labor, Christian Democratic and Democrats '66 parties agreed on program and portfolio proposals, ending coalition talks which have lasted since the May 26 elections.

2 Die, 72 Hurt in Greek Travel Agency Raid

ATHENS — Two men with machine guns killed two persons behind the desk of a travel agency in the port of Piraeus Wednesday and then left a bomb in the doorway which injured two policemen and 70 bystanders, police said.

A police spokesman said the attack appeared to be intended as a settling of accounts. The agency specialized in finding jobs for Asians who wanted to work in Greece, including Asian women to be used as hostesses at massage parlors.

Meanwhile, five incendiary bombs exploded in two Athens supermarkets early Wednesday, but the fires were quickly extinguished.

Bomb Explodes at Geneva Railway Station

GENEVA — A bomb left in a coin-operated luggage locker at the principal railway station in Geneva exploded late Wednesday afternoon. Police said four persons were injured, one critically.

A second bomb exploded later in another locker after the police had cordoned off the area, but police reported that no one was injured by the second explosion. The bombings raised to five the number of such attacks in Switzerland in the last four days. There have been no fatalities.

The so-called "June 9 Organization" of Armenian nationalists claimed responsibility for the first three bombings and said that the attacks would continue as long as one of its "fighters" remained in a Swiss jail. An Armenian is being held by the police on charges of killing a Turkish consular official.

Red Brigades Say They Will Free 2 Captives

NAPLES — Red Brigades kidnappers said Wednesday that they would free two of the three captives they are holding — Ciro Cirillo, a Christian Democratic politician abducted April 27, and Renzo Sandrocchi, an Alfa Romeo executive who was seized June 3.

"We are giving you back the hangman Cirillo," the urban guerrilla gang said in a message that was left in a truck can in a Naples piazza. It said Mr. Cirillo's family and the Christian Democratic Party had paid a ransom of \$1.2 million for the 60-year-old politician.

It would be the first time the Red Brigades had asked a ransom for one of their kidnap victims.

A message left in Milan said the gang would free Mr. Sandrocchi. The Red Brigades are also holding Roberto Peci, brother of a jailed Brigades leader who is helping police track down former comrades.

EEC Parliamentary Dispute Nears Solution

BRUSSELS — European Economic Community government Wednesday came up with a compromise formula to end a bitter legal dispute with the European Parliament over the community's budget, diplomatic sources said.

The plan was being discussed by budget ministers and a parliamentary delegation here Wednesday afternoon. The dispute arose when West Germany, France and Belgium refused to pay extra EEC funds voted by the parliament late last year.

The three countries said the parliament acted illegally in adding about \$290 million on social measures without the consent of member states. The compromise budget would take account of lower farm spending in order to cut outlays by about \$220 million, which could be done without reducing spending on social projects.

Russia Reports Unidentified Aircraft Hit Plane

MOSCOW — The Soviet Union said Wednesday that an unidentified aircraft had penetrated its airspace "from the direction of Iran" on Saturday, collided with a Soviet plane and crashed.

Tass said the aircraft entered the Soviet Union in the area of Yevlav, Soviet Armenia, near the international border with Turkey and Iran. The plane continued its flight "performing dangerous maneuvers" despite radioed Soviet questions and offers of help, the news agency said.

"Some time later the plane collided with a Soviet plane" fell to the ground and burned, Tass said.

Moynihan Charges White House Responds Slowly in Casey Probe

By Terence Smith
New York Times Service

WASHINGTON — Sen. Daniel P. Moynihan has charged that the White House and Justice Department have ignored the Senate Intelligence Committee's repeated requests for confidential files relating to the business dealings of CIA Director William J. Casey.

"For the past two days we have been urgently trying to find out whether the director of the CIA has been involved in illegal activities that would make him unfit to hold his office," the New York Democrat said yesterday on Tuesday during a hearing by the panel, which is examining allegations that Mr. Casey was involved in questionable stock market practices in the late 1970s.

"We've called the White House and we've called the Justice Department," said Sen. Moynihan, the ranking minority member.

"I've called the attorney general and he doesn't answer. Maybe he doesn't know who I am, or maybe he doesn't know what goes on up here or think that it matters. Well, it damn well does matter, and if they are going to cover up, and they are going to take themselves a director of the CIA," Sen. Moynihan said, his face flushed with anger.

Later, a Justice Department spokesman denied any cover-up was involved. He said Sen. Moynihan's assertion that the department was not cooperating with the investigation was "just blatant lies."

Thomas F. Cair, the spokesman, said the first written request from the committee had been received by the department only Tuesday morning. "There's no question but that we intend to cooperate fully," he said. "We have no intention of covering up anything."

Fred F. Fielding, White House counsel, said that the committee would be given access to the background materials on Mr. Casey on Wednesday. "People are pulling the stuff out and we're getting together with them tomorrow morning," he said.

In a separate development, court records in New York show that Mr. Casey failed to disclose to the Senate Intelligence Committee earlier this year his role as a defendant in two related lawsuits settled out of court in 1979 that involved the sale of a mutual fund, Fund of America, of which Mr. Casey was a director between 1969 and 1971. The fund originally was part of Bernard Cornfield's Investments Overseas Services and was sold to the Equity Funding Corporation of America shortly before that conglomerate collapsed.

A Senate disclosure form completed last January by Mr. Casey as part of his confirmation process called for him to list "any legal actions in the last five years in which you have been a plaintiff, defendant or witness." On that form, he did disclose his involvement in several other cases still pending or settled within the last five years.

It was disclosed last week that a U.S. District Court ruling had named Mr. Casey as one who had "omitted and misrepresented facts" to investors in Multiponics Inc., a firm in which he was a principal. On Friday, the Senate committee announced that it would conduct a staff investigation of the matter.

On Friday afternoon, Sen. Moynihan said, the staff began phoning the White House and Justice Department to obtain the FBI's background check of Mr. Casey and other relevant documents. "They didn't answer our calls," the senator said.

A formal letter requesting the materials, signed by Sen. Moynihan and Sen. Barry Goldwater, the Arizona Republican who is chairman of the committee, was delivered to the White House and Justice Department on Tuesday morning.

The two lawsuits naming Mr. Casey as a defendant were filed by Fund of America shareholders in 1971. The suits, which were settled out of court in 1979, also named more than a dozen other individuals and companies associated with the fund.

Mr. Casey's involvement in the cases was minimal. Mr. Casey never testified in the case nor did he make any contribution to the monetary settlement.

Turtle Rescue Starts in Texas

United Press International

PADRE ISLAND, Texas — A U.S. National Parks Service airplane flew to Mexico on Wednesday to pick up 2,300 Ridley turtle eggs that experts will use to relocate the endangered species' nesting habitat to a refuge in Texas.

A biologist at Padre Island National Seashore said a pilot and a technician flew to Rancho Nuevo Beach, currently the Ridley's only known nesting place. The turtles are endangered by the fact that many Mexicans eat the eggs as an alleged aphrodisiac.

The biologist said the eggs will be put in an incubation enclosure to hatch, after which the baby turtles will be taken to the beach and allowed to walk down the sand and into the surf. Then they will be scooped up and airlifted to Galveston, where they will remain for a year until being turned loose into the Gulf of Mexico.



About 9,000 retired persons demonstrated outside the U.S. Capitol to protest proposed cuts in Social Security benefits.

U.S. House Votes to Retain Minimum Retirement Pay

New York Times Service

WASHINGTON — The House has rejected the counsel of President Reagan and voted overwhelmingly to preserve the minimum Social Security benefit for those now receiving it.

Despite strong White House pressure to contest the Democratic move on the House floor, the Republican leader, Rep. Robert H. Michel of Illinois, released his members and urged them to support the resolution rather than become "political pawns."

The result was a 405-13 vote Tuesday in favor of a position that Mr. Reagan, only 24 hours earlier, had branded as "opportunistic political maneuvering, cynically designed to play on the fears of many Americans."

Earlier Tuesday, the Senate killed, 52-46, a similar proposal to continue the minimum Social Security benefit. There, the Republican leadership had been uncertain of victory until the last minute and needed three Democratic votes to avoid a tie.

Separate Legislation

The two votes left the future of the minimum benefit uncertain. It appeared likely that efforts would be made to advance separate legislation preserving the provision in whole or in part, rather than trying to work through the huge conference between the legislative houses now attempting to resolve the budget.

Earlier this year in their separate budget resolutions, the Senate and House voted to abolish the minimum benefit, effective either Aug. 1 or next April. The resolution passed by the House on Tuesday favored retaining the minimum for all those who now receive it but to end it for all others.

The minimum benefit, currently \$122 a month, is paid to all Social Security contributors who work 40 quarters or more before retirement, even if their wages and work record normally would result in a smaller amount.

'Unearned' Benefit

The Reagan administration wants to abolish the minimum, both for those now receiving it and for all retirees in the future as part of its program to reduce Social Security costs. Officials estimate that dropping the minimum would save the government \$7 billion between 1982 and 1986.

The White House maintains, as did Republicans in both houses of Congress, that the minimum benefit is "unearned" because many of its recipients draw substantial benefits after having made relatively small contributions to the Social Security fund.

At a rally of senior citizens outside the Capitol, Rep. Claude Pepper, Democrat of Florida, called the House vote "the first indication that the administration is beginning to tuck its tail and run on Social Security."

In the Senate, the proposal to continue the minimum for those already receiving it took the form of an amendment to the pending tax-reduction bill. Three Democrats and an independent voted with the Republicans in opposing the measure, while four Republicans joined all other Democrats in supporting the amendment.

Weinberger Expects Pentagon To Stay Within Reagan Budget

By George C. Wilson
Washington Post Service

WASHINGTON — Defense Secretary Caspar W. Weinberger has expressed confidence that the Pentagon can stay within President Reagan's budget, thanks in part to declining inflation.

His optimism, expressed in an interview Tuesday with The Washington Post, contrasts with the pessimism of several other administration officials, who are warning that Pentagon bills are piling up so high that Mr. Reagan's plan to balance the federal budget by fiscal 1984 is in jeopardy.

An internal Pentagon document, for example, warns that the cost overrun in the fiscal 1983 budget now being put together will be about \$6 billion, which would require a 9-percent increase over 1982, adjusted for inflation, rather than the planned 7-percent rise. Deputy Defense Secretary Frank C. Carlucci told The Post in a separate interview that the Pentagon's fiscal 1983 budget is running \$2 billion to \$10 billion above projections.

"We believe that we can acquire what is needed within the guidance that has been given," said Mr. Weinberger — referring to the 7-percent annual real growth — "provided inflation doesn't erode some of the existing programs. And we don't see that it is at this moment."

In discussing how much is enough for defense, Mr. Weinberger contended that the Pentagon could make good use of real growth of more than 7 percent. However, no formal request for more has been lodged. "We haven't said anything about needing more," he said. "We have pointed out that it is extremely important that we stay with that; that we not surge one year and starve the next; that we follow a steady, predictable path of growth in real strength."

In March, Mr. Weinberger predicted that to achieve real growth of 7 percent annually the Pentagon spending figures would have to be: fiscal 1982, \$77.2 billion; fiscal 1983, \$24.8 billion; fiscal 1984, \$28.2 billion; fiscal 1985, \$32.5 billion; fiscal 1986, \$37.5 billion. Those figures are total obligational authority, meaning all the money the Pentagon has in a given year for its programs. Not all of it is spent in one year, however. That five-year total comes to \$146 trillion, an amount that will have to go higher to keep achieving 7-percent real growth if inflation runs higher than projected.

Under that \$146-trillion program, Mr. Reagan hopes to build a new bomber (perhaps two different types at once), deploy a new

MX land missile, push the Navy toward a fleet of 600 ships, modernize the Army, add about 200,000 to the active duty military force of 2.1 million, gear up the defense industry for emergency production, and be ready to meet Soviet moves all around the world.

Trying to do all that and balance the federal budget at the same time will be impossible, according to some administration officials' assessments of the Reagan-Weinberger blueprint for rearming America. Behind-the-scenes arguments over this are beginning to break out into the open.

Mr. Weinberger also favors taking a hard line on East-West trade.

On Tuesday he derided West Germany's plan to buy natural gas from a pipeline leading from the Soviet Union.

"There wasn't anybody in the room," Mr. Weinberger said of a recent White House meeting on the pipeline, "who thought it would be a fine thing for the Soviets to build a pipeline. All the discussion was on how to persuade the Europeans that this was not a very good thing for their interests or ours. I joined everybody else in the room in feeling that it would be very unfortunate for the West... for that pipeline to be built. A lot is going to depend on whether the German and French banks continue financing it."

Iran Warns of Measures Against Election Violence

Reuters

LONDON — The Iranian interior minister said Wednesday that some unidified groups intend to disrupt Friday's presidential election and security precautions are being taken, Iranian state radio reported.

Ayatollah Mohammed Reza Mahdavi-Kani said voters can go to the polling booths with complete peace of mind, but they must be watchful and report any bomb incidents at once.

"Our enemies want a low turnout in the elections," the interior minister said. "The people should therefore actively participate, even though they may cast negative votes."

The election is being held to pick a successor to Abolhassan Bani-Sadr, who was deposed as president by vote of the Majlis (parliament). In some provinces, including Tehran, voters also will select candidates to fill parliamentary vacancies in the Majlis.

According to the official Pars news agency, Asghar Ibrahim, governor of West Azerbaijan, said at a press conference in Tehran on Tuesday that the outlawed Kurdish Democratic Party intends to cause disturbances during polling. He said shootings Tuesday in Mahabad, about 50 miles (80 kilometers) from the Iraqi border, in which eight soldiers were killed, were part of the disruptive plan.

In the northwest, where Kurdish nationalists control large areas of the mountainous terrain, government forces and Islamic guards have repeatedly come under attack.

Mr. Ibrahim also said rumors in Tehran that counterrevolutionary forces are gathering beyond the Turkish-Iranian border are false. The official news agency said he gave no details about the source of the rumors. No such rumors have circulated in Turkey, which has always tried to maintain close diplomatic and economic ties with its southeastern neighbor.

Zhivkova Was Victim Of Brain Hemorrhage

The Associated Press

SOFIA — Lyudmila Zhivkova, 38, the daughter of Bulgaria's president and Communist Party chief, died of a brain hemorrhage, followed by an irreversible disorder of the respiratory and circulatory systems, a medical bulletin said Wednesday.

The statement said that her health deteriorated recently as a result of overwork, and added that "measures taken for the recovery of her health" led to an improvement, but her condition worsened Monday and she died Tuesday at 2 p.m. The funeral for Mrs. Zhivkova, a member of the party Politburo and the daughter of Todor Zhivkov, was scheduled for Thursday, the Bulgarian news agency said.

Bani-Sadr Names 'Premier'

BEIRUT (AP) — In a letter circulated in Tehran carrying his signature, Mr. Bani-Sadr appointed an underground opposition leader, Massoud Rajavi, as "premier."

Copies of the handwritten letter also entrusted Mr. Rajavi, head of the Islamic-Marxist Mujahiddin Khalq organization, with the task of forming a national resistance council against Iran's ruling fundamentalist Moslem clergy. Mr. Rajavi's guerrillas have been leading a campaign of bombings and attempted assassinations against the regime since Mr. Bani-Sadr's removal as president.

Substitute Design in Kansas City Hotel May Have Caused Collapse of Walkways

By William C. Rempel
Los Angeles Times Service

KANSAS CITY, Mo. — The collapse of two suspended walkways that killed 111 persons at the Hyatt Regency Hotel here last Friday could have resulted from an alternate design that doubled the original steel load to a welded beam, it has been learned.

At the time of the collapse, the beam pulled apart at the weld, releasing the walkways from the rods that attached them to the ceiling.

That failure of the beam would be consistent with accounts of survivors from the second-floor bridge who told they heard a snap before the fall.

City Building Records

City building records, opened to the public on Tuesday for the first time since the disaster, disclosed a potentially significant difference between the way the 16-inch (about 3.2 centimeters) steel rods (which connected the atrium lobby walkways to ceiling girders) were first designed to be attached to each walkway and the method that actually was used during construction.

It was a difference that authorities said would not necessarily have required approval from city building inspectors. The public works director, Myron Calkins, said the city routinely relies on the licensed engineers employed by the builders to make certain that most building code requirements are met. The original designs were submitted to the city in 1978. Building construction was completed two years later.

Tuesday's discovery was believed significant because of evidence at the scene that the suspension rods were apparently ripped from the beams that, because of the design changes prior to construction, were supporting not only the weight of the fourth-floor walkway but that of the 40-ton second-floor walkway below it as well.

Bolted Ends

The bolted ends of the rods ripped through the box beams that ran across the width of the top bridge under the 8-foot-wide walkway. Box beams are formed by two C-shaped steel beams welded together into a hollow rectangle with a weld seam top and bottom.

A city public works official confirmed that the suspension rods were the primary means of support for the walkways.

But what investigators still must determine is whether that structural failure was the result of a chain of previous failures or whether it alone precipitated the collapse.

There remain other important unanswered questions about whether the bridges were overloaded by spectators, some of whom may have been dancing on the walkways; whether shoddy construction or substandard materials were a factor; and whether the design specifications were adequate.

Disclosures on Tuesday raised questions also about the integrity of welding seams through which the suspension rods were pulled.

The National Bureau of Standards, an agency of the Department of Commerce, sent two structural engineering experts to Kansas City on Tuesday at the city's request.

And James Strata, a noted California engineer who unraveled the mystery of a roof collapse here two years ago, was hired by the hotel owners — a division of Hallmark Cards, Inc. — to assist their own inquiry.

A spokesman for the architects who conceived and designed the walkways has refused to comment.

House Panel Adopts Measure to Increase U.S. Overseas Tax Exclusion Annually

By Robert C. Siner
International Herald Tribune

WASHINGTON — A House committee has agreed to annual increases in a previously adopted exclusion of overseas income after narrowly defeating a complete exemption from U.S. tax for those Americans living abroad more than 25 months.

The Ways and Means panel, in its final markup of an omnibus tax-cut bill, approved language that would increase the \$75,000-earned-income exclusion by \$5,000 yearly increments until it reached \$95,000 in 1986. A special deduction for excess housing costs, adopted by the panel July 9, was retained, as was the 11-of-12-month residency requirement. The provision would apply to income earned in 1982 and after.

The action followed two attempts by Rep. Bill Frenzel, a longtime proponent of reducing U.S. taxes on Americans abroad, to incorporate language more favorable to overseas taxpayers into the bill.

The Minnesota Republican first proposed that Americans residing abroad for 25 of 27 months be subject only to the taxes due in their countries of residence — in effect totally exempting them from U.S. tax liability. The panel rejected this residency-based tax approach on a 19-16 vote.

Rep. Frenzel then proposed a \$95,000 exclusion in place of the \$75,000 previously approved by panel. Rep. Harold Ford, Democrat of Tennessee, offered an amendment under which the increase to \$95,000 would come in four annual \$5,000 steps. The Ford amendment was approved 23-12, and the amended provision was adopted by voice vote.

It was estimated that the House provision would eliminate the U.S. tax liability of just over 90 percent of Americans working abroad.

The committee is expected to complete action on the entire tax-cut bill Thursday. It should go to the House floor by the end of next week.

Different Provision

There it will face a challenge from House conservatives in the form of an alternative bill being developed by Rep. Barber B. Conable, Republican of New York, and Rep. Kent R. Hance, Democrat of Texas, which embodies the administration's tax-cut proposals. These include a 33-month across-the-board increase in individual tax rates and accelerated depreciation write-offs for business.

The Ways and Means Committee bill aims most of its tax relief at individuals making less than \$50,000 a year, and the third year of its tax cut is contingent on improved economic performance. Tax relief for business is focused on reduced rates rather than on accelerated depreciation.

The administration proposals, adopted last month by the Senate

U.S. Judge Rules Cult Kidnapping Was 'Lesser Evil'

United Press International

SAN FRANCISCO — A man has been found innocent of kidnapping a member of the Rev. Sun Myung Moon's Unification Church by a judge who said it was a lesser evil to have abducted the young woman from the religious cult than it would have been to allow her to remain a member.

Superior Court Judge Edward Stern accepted a rarely used defense argument of "necessity" — equivalent to choosing the lesser of two evils — in finding Daniel Lester innocent Monday in a trial without a jury.

Mr. Lester had been charged with kidnapping conspiracy and false imprisonment in the March 12 abduction of Brenna Steinberg, 20, for purposes of "deprogramming" her religious beliefs according to the Unification Church.

Miss Steinberg, who was in the courtroom, underwent several days of deprogramming efforts in Walnut Creek, Calif., before police freed her and she returned to the church's San Francisco center. Her parents, Dr. and Mrs. Morton Steinberg of Scarsdale, N.Y., financed the deprogramming and helped in the abduction.

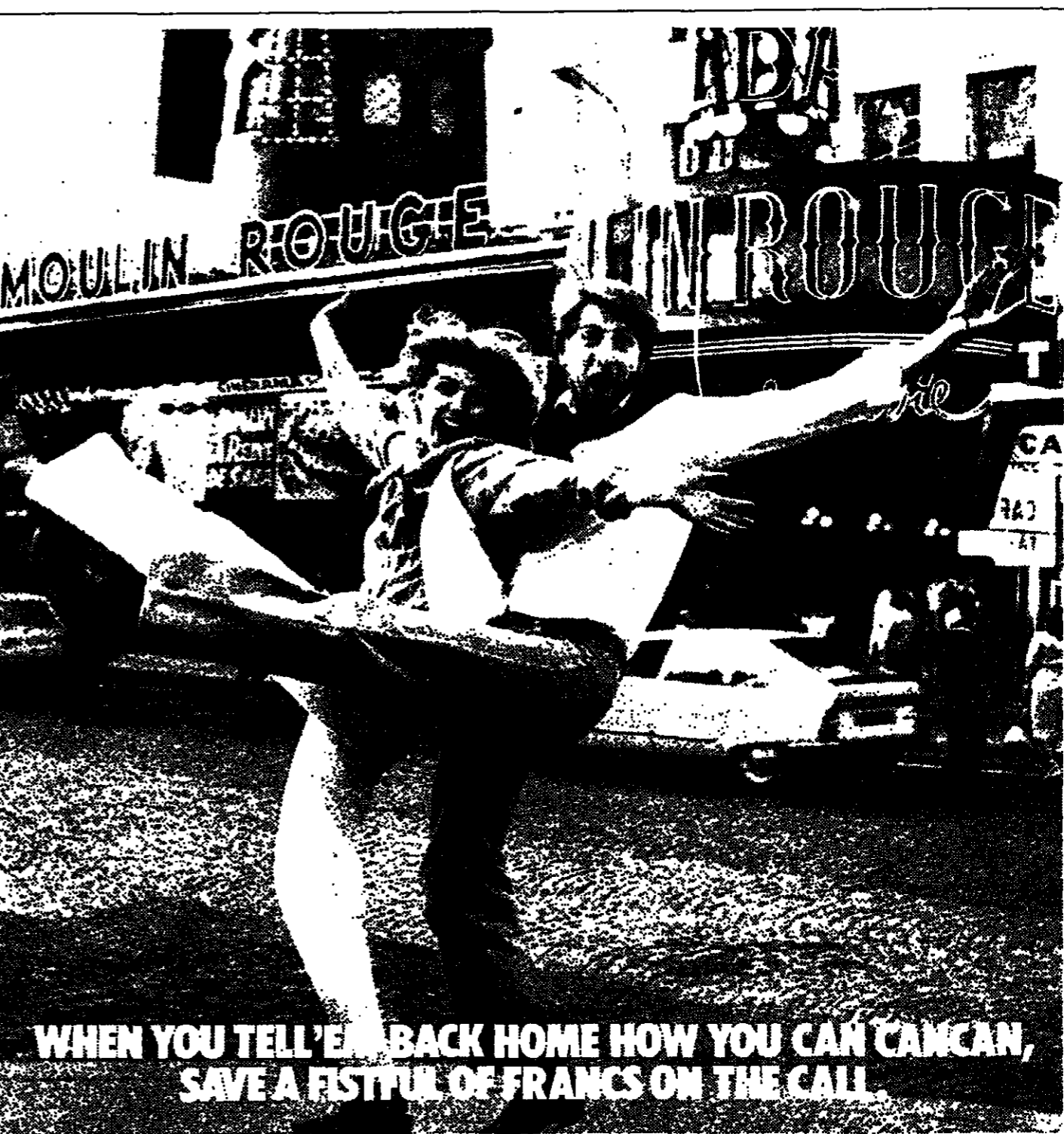
"I think it's wrong," Miss Steinberg said of the verdict. She then left the courtroom with two members of the church.

Zimbabwe Appoints Black to High Court

Reuters

SALISBURY — Telford Georges, a native of Dominica in the Caribbean who was chief justice of Tanzania for six years, has been appointed the first black judge of Zimbabwe's highest court.

The government announced Tuesday that Mr. Georges, 57, would take up his appointment to the four-man Appellate Division of the High Court, all-white since the days of minority rule in the former Rhodesia, on Aug. 1. Mr. Georges came to Zimbabwe last December as a government adviser on judicial matters.



The cancan girls aren't the only ones kicking up their heels in Europe. You're having the kind of adventures they want to hear about back home. So give 'em a call. And do it with these franc-saving tips in mind.

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Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

SAVE WITH A SHORTIE

In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.

SAVE THESE OTHER WAYS

Telephone Company credit card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

Now...is that you on the left? Not bad. You can still shake a leg.

Bell System

Reach out and touch someone

An Ottawa Scorecard

The communiqué issued by the leaders of seven industrial powers who just concluded their seventh economic summit meeting is anything but bland. It does not bury the substantial disagreements between the parties.

United States accepted the principle of "global negotiations," but buried it in pillows of language. The phrase in question reads as follows: "We are ready to participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress."

Genuine Nationalisms

By delaying the delivery of a few more F-16s, President Reagan is either telling Prime Minister Begin that he does not want American planes raining death on downtown Beirut or he is telling him nothing.

decided with one hand to cooperate and with the other to strike relentlessly at Palestinian enclaves. If it thought the raids would make its case for new guarantees, it has overplayed the hand.

The News From Tehran

Iran's clerical rulers recently expelled Western reporters, charging that the press sought to discredit their regime. But what could be more defamatory than the official news reports that Iran disseminates every day?

may remain pre-eminent. They rebounded from the fearful terrorist bombing that killed 72 of their number, including Ayatollah Beheshti, their party leader and Iran's chief justice.

In the International Edition

Seventy-Five Years Ago July 23, 1906

Fifty Years Ago July 23, 1931

NEW YORK — A letter to the Herald defends Mr. Stanford White, the architect who was recently murdered by Mr. Henry Thaw. It says: "New York has lost one of her greatest geniuses, and New York City and all lovers of the beautiful in art should pay tribute to this man who, in the silence of death, cannot defend his own good name."

LONDON — The London conference will wind up tomorrow with a series of formal recommendations that, according to general opinion here, will register little if any real advance in the process of financial rehabilitation of Germany.



Building on Kania's Congress

By Leopold Unger

BRUSSELS — In the worst of his nightmares, Stalin could not have suspected that it would be in his Falsehood of Culture, his gift to the people of Warsaw, the monument to Socialist ugliness that long bore his name, that the most anti-Stalinist meeting of a ruling Communist Party would take place.

stature of a statesman. And for the first time since the Prague Spring, a ruling Communist Party is seriously trying to win the trust of the population, to launch authentic reforms and to risk putting on a human face.

But it was so, and it signaled the end of an era and the beginning of another. For the first time a Communist Party has agreed to adapt to the reality of a changing, pluralist society, instead of trying as always before, from Stalin to Leonid Brezhnev, to force a society to adapt to the tenets of the party.

Mr. Kania is now at the head of a fairly homogeneous team, and is practically rid of the past thanks to the ouster, at the insistence of the rank and file, of Edward Gierek, the former party chief, and seven of his closest aides.

Impressive Victory

Thus, Mr. Kania was unquestionably strengthened by the congress proceedings. His election, along with that unprecedented democratic renewal of the Central Committee (182 new members and only 18 re-elected), confirms the general approval of the centrist policies he has chosen, that is, a mixture of anarchistic Communist rhetoric and the hard-nosed political pragmatism that has become a must in today's Poland.

Mr. Kania's victory — like that of Mr. Brezhnev after the elimination of Khrushchev in 1964 — was due to an inevitable compromise based on the lack of a valid alternative. But it remains an impressive victory for this 54-year-old apparition who lacks charisma and who only a year ago was still head of the police and unknown to most Poles.

In less than a year he has acquired the

historic occasion and an extraordinary one, solved nothing. The party has been renewed, but it has not yet embarked on a coherent program of reforms of an outmoded state in an overpopulated nation.

Mr. Kania, who was elected to his post 37 years to the day after the proclamation of a Communist regime in Poland by the Red Army, is the first Communist leader who can claim to have been elected democratically, and who can count — until further notice, and on the basis of reciprocity — on the support of millions of workers in Solidarity, the independent union. He can also rely on a temporary truce from Moscow — or so Mr. Brezhnev's formal but rapid telegram of congratulations indicated.

The party chief has an opportunity to demonstrate that Communists have the ability to save Poland from its domestic crisis and from foreign intervention. He now has the means to achieve necessary reforms and turn back the tide of failure — so long as he does it openly, maintains contact with the population, and, as a worker-delegate declared, "ceases to strangle the nation while asking us to applaud," and puts an end to the "profiteering of megalomaniacs."

A Break With the Past

According to Zofia Grzyb, the only woman in the Politburo and a member of Solidarity, "We do not want the guillotine, we want justice."

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About an Argument In Fancy Raiments

By William F. Buckley Jr.

NEW YORK — George Ball, a learned and witty man whose thought I suspect is often governed by the mischievous delight he takes in overstatement, has written what one might term the militant Establishment's official opposition to Reagan's foreign policy.

The column ("White House Revives Cold War Obsession," IHT, July 9) begins with sentences that might have been written by Ball's old partner — they traveled together to Germany after the war to assess the damage done by allied bombing — John Kenneth Galbraith. "John Foster Dulles is alive and well and living in the White House. Once again we hear his passionate charge that the Soviet Union is the Antichrist threatening civilization with the pernicious doctrine."

Now even the most informal student of rhetoric, from these two sentences alone, can deduce practically the whole of the forthcoming message. It is said by students of communication that 95 percent of the signals we exchange are non-verbal. They are done by arm motion, facial expressions and in "That's a great idea!" You would never use "is alive and well and living in..." to describe somebody, or something, you approve of.

"John Foster Dulles" is here used as what the boys call antonomasia. "John Foster Dulles" is intended to convey a humorous, myopic, driven, unsophisticated, Calvinist misanthrope. We have already accomplished a great deal in a single sentence.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.

Letters

Arms Control, Please

Leslie Gelb's analysis (IHT, July 16) of Secretary of State Haig's foreign policy speech comments: "While many Europeans tend to see arms control as an inducement for good Soviet behavior, Mr. Haig and his colleagues still regard it as a reward after the fact."

Riot Experts, Continued

In a New York Times editorial entitled "The Riot Experts" (IHT, July 15), Gov. Hugh Carey of New York was taken to task — and rightly so — for presuming to know the cause of "social upheaval" such as that presently occurring in Britain.

Two Standards on Iran?

As a liberal-minded Iranian patriot, I cannot but feel sad about President Bani-Sadr. That he tried to resist the mullahs' gangster-style stranglehold on the people of Iran deserves admiration. But since his recent confrontation with Khomeini, his elimination was a foregone conclusion.

Wiring for Smoke

By 1985, Mike Damm believes (IHT, July 9), cable television "will boast 35 million to 40 million subscribers." At the rate things are going, I should be more inclined to believe the means of communication will be smoke signals.

Arms Control: Sorting It Out

By Stephen Klaidman

PARIS — The arms control debate, on whose outcome the world's survival might depend, has become so technical and so polarized that there is no promising political path to negotiations available at the moment.

The problem is, in this hawk-and-dove confrontation, that neither side will concede that there is any merit in the other's position. The hawks say that any practical negotiating position is one of strength, which is understood by the doves to mean no negotiations at all.

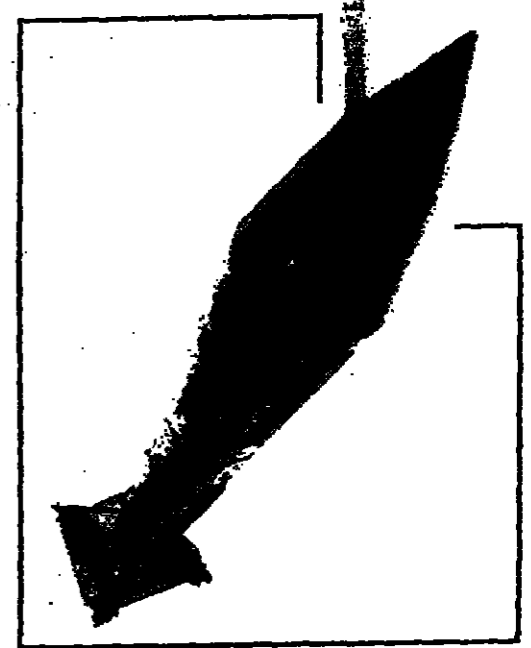
Many hawks favor linking arms control talks to worldwide Soviet behavior. The Reagan administration made such linkage explicit recently when it warned Moscow that its response to initiatives on Afghanistan and Cambodia would influence the whole range of U.S.-Soviet relations.

Most doves argue that arms control is too important to link to other issues, and besides it is not a favor to the Russians. Both sides need it. Furthermore, the doves say — and some hawks agree — such linkage won't work because the Russians are determined to have it both ways.

They are not irreconcilable, but the first obstacle to be overcome requires a substantial leap of faith. The doves, who include men in the United States such as Paul Warnke and in Europe such as Willy Brandt, must accept that hawks such as Ronald Reagan in the United States and Margaret Thatcher in Europe are genuinely committed to ending the arms race.

Perhaps Francois Mitterrand can help bridge the gap. He has good credentials in the socialist and social democratic camp, whence most European doves come. Yet he himself is adamant about the need to deal with the Soviet Union from strength. It would be a substantial accomplishment if he could get the doves to listen — not necessarily to accept that the hawks are right about everything they say, but that they are worth listening to.

The hawks, in turn, to make Mr. Mitterrand's task easier, must emphasize their effort to control



the spread of arms and downplay the present emphasis on building the Western arsenal. That is not to say that they should stop building the arsenal; just that they should concentrate their public pronouncements and their private diplomacy on the desired result — an arms balance at the lowest possible level.

Once a dialogue is under way, it becomes possible to seek agreement on basic definitions. The nuclear debate — which some say is understood only by experts and others say by no one — suffers from a severe lack of precision. What, for example, does it mean to negotiate from strength? Does it mean parity — roughly equal forces across the board, both nuclear and conventional? Or does it mean clear Western superiority?

If it is the latter, how does one measure that? Does it mean having a strategic nuclear capacity so great that the other superpower could not contemplate a conventional or tactical nuclear attack in Europe for fear of being wiped out in a strategic first strike? If so, how can one be sure?

If there is anything at all to be said for the general principle of negotiation from strength — as, no doubt, a good lawyer like Mr. Warnke will allow — these definitions are worth talking about. Perhaps Mr. Warnke could sit down with another good lawyer, Eugene Rostow, the hawkish director of the U.S. Arms Control and Disarmament Agency, and sort the matter out.

Then, there is the question of linkage. In a major speech on arms control last week, Secretary of State Alexander M. Haig Jr. said linkage was "a fact of life." He added that the Reagan administration would never accept the "appalling conclusion" that "to preserve arms control we have to tolerate Soviet aggression."

Well, that is somewhat disingenuous. The Red Army is in Afghanistan, yet this administration is prepared to let the Russians tread over the table and butter under the table. What is more important to the United States, a marginal increase in farm income with the concomitant political payoff, or arms control?

There is room for linkage in arms control negotiations. But only after the negotiations are started. Those who favor linkage and those who oppose it could agree that the time to bargain is at the bargaining table, not before.

Doves and hawks should also concentrate on the fact that the Soviet Union is extremely good at playing them off against one another.

When Mr. Reagan or Mr. Haig rattles a few rockets, the Kremlin is quick to play it back for the large, sympathetic audience of pacifists, neutralists and unilateral disarmers in West Germany, Belgium, Denmark, the Netherlands and Britain.

Conversely, when Willy Brandt goes to Moscow, the Russians play him like a violin. Mr. Brandt came back carrying ambiguous Soviet messages about theater missiles and a nuclear-free zone in already nuclear-free Scandinavia, that have done nothing but sow dissension in the Western alliance.

It should be obvious that it is in the interest of all Western statesmen to reach a consensus on what is and what is not acceptable in arms-control negotiations with the Soviet Union.

But as long as the debate between hawks and doves remains a dialogue of the deaf, that will not happen and there will be no productive talks. It is time for the Reagans and the Brandts, the Warnkes and the Rostows, to start listening to one another.

Advertisement for the International Herald Tribune, including contact information for the New York, London, and Paris offices, and a list of staff members such as John Hay Whitney (Chairman) and Philip M. Foisie (Executive Editor).

Handwritten Arabic text at the bottom of the page.

Protestant Militants Tense at Each Death In Ulster Prison Fast

By Bernard Weinraub
New York Times Service

BELFAST — In a grimy red-brick building on East Belfast's Newtonards Road, the militant Protestants of the Ulster Defense Association await the death of each Roman Catholic hunger striker in a sullen and fearful mood.

"Each death inflames feelings, each death creates new dangers," said Andrew Tyrre, the 41-year-old chairman of the organization, the military force of hard-line Protestants. "The tensions escalate with each death. You have two communities looking fearful at each other."

Like other Protestants and some Roman Catholics in Ulster, Mr. Tyrre says he fears that the hunger strike by Irish Republican Army supporters has created a new wave of sympathy for the IRA in Catholic areas, as well as fierce anger toward the British. Six hunger strikers have died since early May and others are believed to be close to death.

Mr. Tyrre predicts that the IRA will step up its "terror" campaign, thereby "forcing" the relatively quiescent Protestant defense group to counterattack.

"The Protestant community is waiting for them," said Mr. Tyrre, a former machinist from East Belfast who heads the "Army of the Prods," or Protestants — a working-class paramilitary organization that is, in many ways, the counterpart of the IRA.

Mr. Tyrre said that the Ulster Defense Association has 15,000 members and is able to virtually shut down the province, as it had in the past, by calling out the Protestant work force. A general strike in the early 1970s shattered British efforts aimed at resolving the Ulster crisis.

What the Protestant group fears is that Britain will become weary of the Northern Ireland problem and, under pressure from the IRA, negotiate to unite Ulster with the Irish Republic to the south. Northern Ireland is two-thirds Protestant while the Irish Republic is 95 percent Catholic.

Politicians in Dublin and London insist that the border will remain intact so long as most Protestants want it that way, but militant Protestants remain fearful of a compromise with the Catholic minority in Ulster.

Mr. Tyrre said his organization seeks "a situation where the two

Theater in Poland

Polanski's Mozart Illuminates Role of Politics

By Nina Darnott
New York Times Service

WARSAW — Roman Polanski returned to Poland recently to direct and co-star in a production of Peter Shaffer's "Amadeus." It seemed a straightforward artistic proposition, but he found himself in a controversy that shows that the political convulsions in Poland are affecting its cultural life.

Polanski, who began his acting career in Poland at age 14, returned to the stage in the role of Mozart. The part of the older composer, Antonio Salieri, was played by one of Poland's leading actors and directors, Tadeusz Lomnicki, whose repertory company filled the other parts.

Lomnicki's theater, in the traditionally working-class district of Wola, is the former cultural center of the Kasprzak transistor factory, which used it as a movie house. Six years ago district officials offered the theater to Lomnicki, a member of the Central Committee. Now the chapter of the Solidarity trade union at the Kasprzak factory has demanded that the building be returned to the workers. Negotiations had just begun when Polanski arrived to direct "Amadeus."

The play ran for 13 performances to standing-room-only crowds at the Na Woli Theater. Polanski, who has acted in movies as well as producing and directing them, was warmly received by Warsaw critics and audiences. He blew kisses to the audience and dropped to his knees to kiss the hand of Lomnicki, whose Salieri was critically acclaimed and compared favorably by foreign journalists and diplomats with Paul Scofield's performance in London.

On opening night an actress stepped forward at the curtain call to read a poem of welcome to Polanski on behalf of the cast

and on closing night she read a poem of farewell. Cast members were so captivated by Polanski that they agreed to several round-the-clock rehearsals, stopping only for dinner and continuing until 6 in the morning.

"Animated by Desire"

"He is a man who is animated by desire, like a child," Lomnicki said. "Not for a moment does he forget what he wants. He has perfect pitch for what rings true. He liberates inner freedom in his actors, but at the same time he frames them. There is a simultaneous freedom and control. I've never experienced it before. He also concentrates on a problem until he solves it. It is strange, because he is internally chaotic, but in this way he is totally disciplined, both as director and actor."

"Salieri says of Mozart that prodigies become stale with years, but this is not true of Polanski. He is still fresh. It is hard to withstand all the ideas he is always bringing in. Sometimes he kept the audience waiting to enter the theater because he had a new idea."

Polanski said he had been thinking of doing a play in Poland for a long time. He bought the rights to "Amadeus" himself, as paying hard currency for foreign rights has become a serious problem for Poles. Polanski was paid a standard salary in Polish zlotys.

About a year ago he approached Lomnicki with the proposition that the latter play Salieri. It was Lomnicki who suggested that the director take the part of Mozart.

Polanski's Mozart was a child of genius, but a charming, naughty child struggling against the constraints and hypocrisy of his surroundings. He downplayed the shrieks, giggles and salacious behavior called for in the script, emphasizing the rebellion and

navet. Thus Salieri's intrigues against this helpless innocent became all the more tragic.

After a short break, the play reopened with a young actor in the title role. But at the moment the fate of the production hangs on the decision of the workers in the Kasprzak factory.

"This is a complicated problem, but also a great shame," Polanski said. Lomnicki, he added, "has built a great theater, and they want to turn it into a recreation hall. They hold it against him that he is a member of the Central Committee. He is, but he is still a great actor."

Lomnicki, a Central Committee member for eight years and a member of the Communist Party for 30, had a dialectical explanation: "The grievances are too profound. They feel it was taken away from them without really asking them — they were never offered a substitute. This is a question of principles."

"We are only a very small casualty of a mass movement — a kind of revolution. Sometimes unfortunate positions are taken that appear wrong at the time but that may have within them the seeds of a new birth. The movement that is causing the takeover of the theater may also produce a new law to reduce censorship. That will mean that we will have better plays written in Poland, and, ultimately, that will bring a stronger theater than we have now."

The conflict is not an isolated incident. In other theaters around Poland different disputes point to the same trend: The democratization and leveling of society being wrought from the bottom up by Poland's workers have cultural repercussions that are not always in the immediate interests of higher art.

Request Reportedly Refused

BELFAST (UPI) — Irish Premier Garret FitzGerald refused a request by IRA hunger striker Kieran Doherty — believed to be close to death — for a personal meeting in the Maze prison, according to Mr. Doherty's father.

Alfie Doherty, who conveyed his son's request by telephone to Dublin, said he found Mr. FitzGerald's decision "unbelievable."

"My son's dying wish as an elected member of [the Irish] parliament was that FitzGerald and [Deputy Premier Michael] O'Leary visit him," Mr. Doherty said in a statement released by the Republican press center. "His excuse for not visiting him was that he was satisfied that the British government had met his request to help end the hunger strike."

Kieran Doherty, 25, has gone 62 days without food to press demands for prison reform. Another inmate, Kevin Lynch, 25, who has refused food for 61 days, was reported by his family to be "rapidly sinking."

The British government sent an official into the Maze on Tuesday, but the mission failed after the eight hunger strikers asked that Brendan McFarlane, the leader of the IRA inmates, be present. The British representative refused the request.

Pop Music

Bongoist Martin St. Pierre: Tapping Is His Tic

By Michael Zwirner
International Herald Tribune

PARIS — Martin St. Pierre, an Argentine percussionist who plays a mixture of Latin American, African, Indian and jazz elements on the bongos, a Cuban instrument, considers himself a human drum.

"The drum is an extension of myself. It is me, I am it," he said, tapping on the café table and his coffee cup. Tapping is his tic; he



The drum "is me, I am it."

accompanies himself constantly like other people blink or scratch themselves. "When I was 6, I was already banging on cassettes, frying pans, glasses with different levels of water in them — anything to make rhythm. I was a noisy child. Everyone was always telling me to keep quiet."

He grew up on the pampas ("I'm a cowboy," he said with a flourish of Buenos Aires and left the country "for a long time" to Astor Piazzolla, Lalo Schifrin and Gato Piazolla left. It is impossible to grow past a certain point as a musician in Argentina."

He traveled to Brazil, Spain, Italy and Africa studying ethnic drums and rhythms. "African sorcerers used to put people in trances and states of ecstasy with drums. The African percussion tradition is still very much alive in Brazil, where it mixed with the Indian tradition to give birth to a new culture. In Chile, it was the women who played drums; they thought rhythm could heal the sick. I am like a musical anthropologist, seeing modern percussion instruments through the ages. Most of it goes back to Africa."

He was once invited to play in Senegal. "It was like an exorcism. How would these people react to hearing their African heritage reflected through white culture? It was a perfect communication. For me, it was a return to my public as African: I play often at the Théâtre Noir. And once after a concert in the Café de la Gare, an Arab woman came to me and said: 'You know, it's amazing; you, an Argentine, brought me back to my Algerian village playing in Paris.'"

In these days of rock bands with their truckloads of guitars, keyboards, amplifiers, speakers, spotlights and cymbals, it is refreshing

to see St. Pierre on stage alone, only a candle for light, hypnotizing audiences with his bongos.

He explores the drums' surfaces by banging, slapping, tapping, rubbing, or scratching with his fingernails. No sticks or mallets, no intermediaries. He explores the length and breadth of his cultural background to create his own contemporary territory. He cites Edgard Varèse, Stravinsky, and the jazz musicians Max Roach and Milton Davis as more recent influences.

"Record stores don't know where to stock my record" (on Le Chante du Monde), he said, pleased: "I've found it in the Argentine section, the experimental music section, the African section, even with the jazz records."

"Before a concert I try and forget all the musical material I have ever learned, to put my mind totally empty. When I start to play, I have this sensation that my fingers tap all by themselves. It's like an ancestral voice speaks behind me and tells me what to play. I play with what happens — squeaking chairs, coughs, jet noise. In a thunderstorm I played with the thunder one night in Dijon."

"Hearing" Vibration

He settled in Paris a few years ago (his ancestry is French, though he does not know how many generations back) and teaches percussion to children. He has one class of deaf children who, he said, "hear" through the vibrations of the drumhead.

This gave him an idea: "Sometimes I wear earplugs for a week before a concert. I try to reach my interior rhythm — my stomach digesting, my heartbeat, my nervous system. Everybody has their own interior drum. I always walk fast in the street, con brio. That's my tempo all of his own. Mine is very fast."

Conducting musical therapy sessions in a cardiac clinic, he became interested in "the relationship between the heartbeat and the rhythms of different cultures. I am planning to make a record of all that. I have so many projects. I want to go to Mexico to learn about the Aztec drums that existed before the Spanish conquest."

"The Incas of Peru made drums out of the dead bodies of their enemies. They marched into battle tapping the human skin stretched over the stomach. Ancient Tibetans made drums out of human skulls. In Africa there is a saying: 'Something dead is brought back to life when it makes a sound.'"

"I would like my body to become a drum after I die. Yes, yes. You can make a drum of my corpse. Then one day, you will go to a concert and somebody will be playing a drum and you will say: 'Oh, I know him. We once met in a Parisian café.'"

Martin St. Pierre will conduct percussion clinics at the St.-Rémy-de-Provence Jazz Festival, Friday through Tuesday, and can be heard in concert there Tuesday. (Tel: 90-92-03-80)

Panda Bom in Mexico

United Press International

MEXICO CITY — The second giant panda cub ever naturally conceived in captivity has been born in Mexico City's Chapultepec Zoo. The mother, Ying Ying, bore the first cub last August but accidentally smothered it during a fitful sleep after a visit to her pen by assorted dignitaries. This time zoo officials have barred visitors for at least 10 weeks.

Etiquette

Protocol Book Hot Seller for Japan Ministry

By Shiro Yoneyama
United Press International

TOKYO — Bordeaux red at the dinner table "is a safe bet for roasted meat . . . but avoid discussing religions and politics. Of course, you may chat about weather and dogs."

Sound familiar? Those lines are not from Emily Post or Amy Vanderbilt but from a small, hot-selling book compiled by the Japanese Foreign Ministry.

"I thought it would be very popular," says Seiya Nishida, the ministry's chief of protocol, "but we didn't expect such a big reaction from so many circles."

"Twelve Chapters on Protocol: A Protocol Handbook" was an unusual undertaking for Nishida's division, which normally arranges state visits and looks after the diplomatic corps in Tokyo.

Since the guide hit Tokyo's bookstores in April, 11,000 copies have been sold, chiefly to governmental agencies, provincial governments, hotels, trading companies and overseas branch offices of Japanese enterprises.

"Twelve Chapters on Protocol," which sells for 600 yen (about \$2.60), is packed with charts, diagrams and examples of what to do at official ceremonies, written and drawn by protocol officers.

Speeches, Flags

The book features speeches made by Emperor Hirohito and Queen Elizabeth II at court banquets, and examples of ideal selections of French wine. It devotes considerable space to national flags, decorations and dress, about which the protocol division has received many inquiries.

The experts at the Foreign Ministry note: "It is customary to use French wine at a formal banquet. Italian, German, Portuguese and Spanish wines have yet to make it to the aristocratic world of wines."

But using other wines is not a breach of etiquette "so long as they are from good brands."

"We sell at least 100 copies a day," reported Masaki Shimomura, deputy manager of the Government Publications Service Center. "Provincial governments buy it because they are not accustomed to entertaining foreigner and trading company employees by it to win more overseas contracts by rendering proper service to potential customers."

The handbook tells its readers to remember these basic rules: Be conscious of rank; put ladies on the right; always reciprocate; and keep in mind local customs.

Extended Moscow Heat Wave Exhausts Supplies of Cool Drinks, Packs Beaches

By John F. Burns
New York Times Service

MOSCOW — Muscovites accustomed to complaining about bitter winters have had something less commonplace to talk about in recent weeks — a heat wave that has exhausted supplies of cool drinks, packed local beaches and camping spots, and raised anxieties that there could again be fires such as

the ones that raged in surrounding woods and marshlands during the last extended hot spell in the Soviet capital, in 1972.

The highest temperature of the summer has been 93 degrees Fahrenheit (34 Celsius) last month, the hottest day since 1901. But with humidity at tolerable levels, there have been few, even among foreigners, who have felt oppressed by the absence of air conditioning, still largely a privilege of the Soviet elite.

Hot spells in Moscow are normally short-lived, but a mass of hot air from central Asia has given

the capital more than a month of glorious weather. The same circumstance has given rise to freakish weather in places usually associated with extremes of cold — 85 degrees in Archangel, near the Arctic Circle, and readings above 90 degrees in several cities in Siberia.

Brezhnev in Crimea

As is his custom, Leonid I. Brezhnev, the Soviet leader, has left for an extended vacation at a seaside retreat in the Crimea not far from the site of the Yalta conference in 1945. Mr. Brezhnev, not expected back in Moscow before September, generally makes it a working vacation — he met last week with Babrak Karmal, leader of the Soviet-installed government in Afghanistan — but he also finds time for the perquisites of power, including forays aboard a yacht and speedboats that are at his disposal.

For most Muscovites, summer pleasures are more mundane. Generally, families who can get away flee the city in July and August, either for dachas in the countryside around Moscow or to resorts farther afield, along the Baltic coast or in the south, mainly in the Caucasus and the Crimea. But this year, at least, the exodus has been more than outweighed by the large numbers of country people flooding into Moscow, making for unusually large crowds at restaurants and shops and in the city's major recreational spots, particularly Gorky Park.

Last year, the influx from the country was stemmed by a decree that effectively sealed the capital in the period leading up to and through the Olympic Games, a factor that may explain the unusual crowds this summer.

"You can't imagine how pleasant it was," one weary Moscowite said. "There was order everywhere, people obeyed the traffic police, the streets were clean. You could turn a corner and appreciate a piece of fine architecture that you hadn't had a good look at in years. It was a jewel of a city. Now it's back to chaos as usual."

Strolling along the beach of the Moscow River, the scene is much like those at beaches elsewhere in northern Europe. But there are differences. While many of the younger women have bikinis indistinguishable in style or skin-tightness from those worn elsewhere in the West, their mothers' generation thinks nothing of spreading out on towels in one's underwear. Men, as everywhere, wander the shore eyeing the belles, and the more athletic get up games of volleyball.

For all the pleasantness, the hard facts of Soviet life are never entirely out of sight. Across the river from the glade are mansions set in thick wooded estates, believed to house some leading party and government officials, and police motorboats cruise the center channel regularly warning bathers by megaphone not to approach the far side.

Wilson Schmidt Dies; Nominated To World Bank

United Press International

WASHINGTON — Wilson Schmidt, 54, a Virginia Tech economics professor who was nominated to the World Bank by President Reagan, died Tuesday of injuries suffered in a fire at the Cosmos Club, where he was staying.

A former deputy assistant treasury secretary, Mr. Schmidt had been nominated in June as U.S. executive director of the World Bank.

Alexander G. Kotikov
MOSCOW (AP) — Maj. Gen. Alexander G. Kotikov, 79, Soviet military commander during the 1948-49 Berlin blockade, has died after a long illness, the Soviet Defense Ministry newspaper Krasnaya Zvezda reported Wednesday.

Gen. Kotikov devoted his "entire life to selfless service of the Socialist motherland and the Communist Party, which he joined in 1920," the newspaper said.

Louis Peters
LODI, Calif. (AP) — Louis Peters, 49, an auto dealer whose undercover work helped send gangster Joseph Bonanno Sr. to prison, died Monday of brain cancer. Mr. Peters received the Meritorious Service Award June 12 for "setting new standards in patriotism and valor."

Lawrence Mosley
NEW YORK (NYT) — Lawrence Leo (Smub) Mosley, 71, a jazz trombonist who played with Louis Armstrong and Fats Waller and was featured on an instrument he invented — the slide saxophone — died Tuesday. He had suffered a stroke in January.

Carol Fox
CHICAGO (AP) — Carol Fox, 55, founder and former general manager of the Lyric Opera of Chicago, died Tuesday of heart failure.



THEY SURVIVED — Two Vietnamese refugee children, one carried by a U.S. Navy crewman, arrived at Subic Bay in the Philippines after being among 29 boat people picked up by the American frigate Fanning about 300 miles (480 kilometers) east of Ho Chi Minh City. Survivors said that 57 of their fellow passengers died at sea before the rescue.

Lisbon Premier Reported To Plan Cabinet Shuffle

Reuters

LISBON — Premier Francisco Pinto Balsemão of Portugal will shuffle his Cabinet later this summer, according to sources in his Social Democratic Party.

Mr. Pinto Balsemão promised the changes Tuesday to party hard-liners to avoid the threatened resignation of Social Affairs Minister Carlos Macedo, the sources said.

One of the main features of the new ministerial team will be a powerful inner Cabinet to try to give the ruling center-right coalition a strong collective leadership, they said.

Growing Squabbles

The ruling alliance of Social Democrats, Christian Democrats and Monarchists has suffered a leadership crisis since the death of Premier Francisco Sá Carneiro in an air crash in December.

His successor, Mr. Pinto Balsemão, has presided over a worsening economic situation and growing squabbles within the ruling coalition, which have prevented the government from fulfilling its program.

A planned major revision of Portugal's Marxist-oriented constitution is behind schedule, and the government has been forced to abandon plans for moderate economic growth and to introduce unpopular austerity measures.

The austerity package, announced last week, has provoked sharp criticism from both employers and unions. The moderate

trade union movement UGT called Tuesday for protest action against the package, including strikes.

Veto of Key Bill

The latest blow to the government was last Saturday's decision by the military Council of the Revolution to veto a key bill to allow the return of private banks and insurance companies.

The committee acts as Portugal's constitutional monitor, and Social Democratic sources said that its veto of the banking bill had provoked the social affairs minister's threat of resignation.

About 60 percent of Portuguese industry was nationalized following Portugal's 1974 revolution, and the ruling coalition regarded the bill as providing a means for channeling indemnification payments into productive investment.

Extended Moscow Heat Wave Exhausts Supplies of Cool Drinks, Packs Beaches

By John F. Burns
New York Times Service

MOSCOW — Muscovites accustomed to complaining about bitter winters have had something less commonplace to talk about in recent weeks — a heat wave that has exhausted supplies of cool drinks, packed local beaches and camping spots, and raised anxieties that there could again be fires such as

SIR PETER CARGILL



With Sir Peter Cargill's untimely death on July 10, at the age of 65, the world banking community lost a distinguished statesman and the Third World a valuable friend. His career, mostly concerned with financing the development of the poor countries of the world, was spent mainly with the International Bank for Reconstruction and Development (the World Bank). He retired as Senior Vice-President in 1980, and since then had been Director and adviser to the Bank of Credit and Commerce International.

Sir Peter, christened Ian Peter Macgillivray Cargill, was born in India on September 29, 1915. He was educated at Malvern College and Corpus Christi College, Oxford, after which he returned to his birthplace to take up an appointment with the Indian Civil Service in 1938.

He rapidly distinguished himself, rising to become Finance Secretary at the age of only 32. Following Indian independence in 1947, he was transferred to London. His two Whitehall posts, from 1948 to 1950 with the Colonial Office and from 1950 to 1952 at the Treasury, both drew of his detailed and expert knowledge of India.

In 1952, with interest in the emergent developing countries growing, he joined the recently-created World Bank. There, his special knowledge of the Indian subcontinent combined with a firm commitment to development, were instrumental in such achievements as the giant Indus Basin Project. He was responsible for the creation of new institutions for the financing of economic development, including the Industrial Credit and Investment Corporation of India and Pakistan. Sir Peter also helped set up multilateral and bilateral aid programs, many of which are still in existence today.

Under successive World Bank presidents, first Mr. Eugene Black and then Mr. George Woods, his skills of negotiation were tested and honed. In 1961 he was given the major role in the World Bank's development financing. He also concerned himself with marshalling aid, from various countries, for individual Asian countries. He presided over annual meetings of donor groups and ensured that both donors and recipients knew exactly where aid was needed, and how effectively it was being used.

Having been involved with development finance for most of his career, the most appointment was a logical one. In 1975, he was given the post of Vice-President in charge of Finance by World Bank President Robert McNamara. As well as masterminding World Bank bond issues, he successfully negotiated replacement guarantees with donor countries for the International Development Association. This, the bank's low interest finance facility for developing countries, is currently replenished to the tune of \$4 billion per annum by donors, largely thanks to the efforts of Sir Peter Cargill.

By the time of his retirement, he was Senior Vice-President with 17 Vice-Presidents and 42 departmental directors working under his guidance. The bank itself has grown to accommodate 135 member countries, with a professional staff of 2,500 and annual aid and development commitments of \$12 billion.

He is remembered as a strong personality with a keen and lively sense of humor. He was a sound judge of people. His forthright, incisive leadership provoked a strong sense of devotion from friends and colleagues. He was awarded the MBE in 1962 at the age of 47 and knighted in the 1981 New Year Honours.

His marriage to his first wife, Margaret Freeling, was dissolved in 1945. His second wife, Inge Naure-Petersen, died in 1965. In 1978 he married Margaret Connolly, who survives him, as well as a son by his first marriage.

The Wedding of Prince Charles and Lady Diana Spencer

Pomp and Circumstance Captivate Britain Despite Problems in the Kingdom

Liturgy Is a Compromise: Queen and Church Leaders Guide Couple in Planning

By R.W. Apple Jr.

LONDON — Barbara Cartland, the romantic novelist, isn't coming, even though she is the bride's stepgrandmother. She says she doesn't want to distract public attention. The Rev. Ian Paisley, the militant Northern Ireland Protestant clergyman and politician, isn't coming because Cardinal Basil Hume is to deliver a prayer. President Reagan isn't coming, partly because of security problems, but his wife is. Almost everyone else who received one of the 2,500 gold, black and white invitations (beginning with the words "The Lord Chamberlain is commanded by the Queen and the Duke of Edinburgh to invite...") will be in their places in St. Paul's Cathedral at 11 a.m. on Wednesday for the wedding of Prince Charles and Lady Diana Spencer.

Despite the continuing economic slump, despite weeks of almost unbroken gray skies, despite the recent rioting, looting and arson in the kingdom, Britain is all agog as final preparations are made for the grand ceremony.

Every day the newspapers are full of some bit of trivia concerning the 20-year-old bride-to-be — a member of an aristocratic family who has known royalty since childhood — or the 32-year-old Prince of Wales. Already this week, British readers have been regaled with the news that 500 million people in 50 countries are expected to watch the spectacle on television, that Lady Diana wore "figure-hugging yellow dungarees" to watch her fiancé play polo and that a Baptist minister has advised the couple to "take time to make love."

No Change in Plans
The riots have increased police concern about protecting the royal family as they drive in open carriages (weather permitting) the 1 1/2 miles from Buckingham Palace to St. Paul's Cathedral and back. The tension in Northern Ireland is another worry. But a palace spokesman said stoutly that no thought had been given to changing plans.

The queen would never permit anything that demonstrated fear, even if fear existed, said a source close to the royal family.

The Most Rev. Robert Runcie, the archbishop of Canterbury, who will officiate at the service, said that he thought the wedding might help to calm the social unrest. Speaking at a news conference, the archbishop said, "I think that it could be a healing element."

Inevitably, there are those who refuse to get into the spirit of the thing. Socialist Challenge, a leftist group, has reported a brisk response to its *Escape the Royal Wedding* outing — a day trip by bus and ferry to the French channel port of Boulogne for \$20 a head.

Thousands of people are involved in the wedding, directly or indirectly, and for them these last days will be a time of feverish activity. The dozen St. Paul's bellringers are practicing for their assignment: a short peal of 30 minutes before the ceremony and a long peal of 3 hours and 50 minutes afterward.

The pastry chefs of the Royal Naval School of Cookery are completing the 200-pound, five-tiered cake, a traditional English fruitcake laced with rum. The designers of the wedding gown, David and Elizabeth Emanuel, are struggling to keep their creation a secret. Mrs. Emanuel confided that "we want her to look magical."

English Worms
For Britain, the wedding is a priceless opportunity for self-promotion. It is emphasized by official spokesmen that all the music for the service is British, that the wedding dress was made from silk produced by worms at the Lullingstone farm in Dorset and that the ring was made from a lump of Welsh gold.

The four Oldenburg Grays who will pull the 1902 State Coach bearing the bride and the bridegroom back to Buckingham Palace — Sydney and Cardiff in front, Rio and Santiago behind — have been taking "music lessons." Arthur Showell, the head coachman, explained to a reporter, "Any fool can make the horses go forward; the great thing is getting them to stand still when the Household Cavalry goes clattering by."

A procession of four carriages, with mounted escorts, will proceed from the palace to St. Paul's, and a fifth coach bearing the bride and her father, Earl Spencer, will set out from Clarence House, the residence of the queen mother. All will travel down the Mall, which is permanently paved in red as a symbol of its connection with the monarchy, through Trafalgar Square, down the Strand, onto Fleet Street, the home of British newspapers, and up Ludgate Hill to the cathedral.

En route, they will pass reminders of the days when royal romances were not nearly so discreet as Prince Charles' and Lady Diana's — Marlborough House, where another Prince of Wales, later Edward VII, dallied with his mistress, Lily Langtry, and 79 Pall Mall, a gift from Charles II to his mistress, Nell Gwyn. The procession will also pass Charing Cross, which is so called because of the market set up there in memory of Eleanor of Aquitaine, the *cherie reine*, or dear queen, by her grieving husband, Henry II.

the seating arrangements proved something of a problem. Her mother's husband, Peter Shand Kydd, and her father's wife, Countess Spencer, have been placed near the rear of the cathedral, well away from the royal family and Earl Spencer.

Mrs. Shand Kydd said that her husband, who owns farms in the Scottish highlands and Australia, "believes that as a stepfather he should be neither seen nor heard."

In the weeks leading up to the wedding, Britain has been drenched in kitsch as manufacturers rush to turn out souvenirs, many of them blithely ignoring the Lord Chamberlain's pleas for good taste. There are 42 designs of commemorative mugs, and one mail-order firm is offering more than 200 items, ranging from pin cushions to table lighters to a jigsaw puzzle of the parade route to a special brick to throw at the family television set if the coverage gets too boring.

The tourist boom that was expected to accompany the wedding has not materialized. Business is off from last year. Dev Arund, an executive of one of London's largest hotel booking agencies, said that reservations for the week of the wedding were running at about 80 percent of capacity — "Good business, but it still means that it will not be difficult to obtain a room."

For those with property along the route of the procession, however, the wedding is proving a bonanza. Hard-pressed British Rail is selling viewing positions on its bridge at the foot of Fleet Street for \$300 apiece, and a fully furnished apartment near St. Paul's, complete with roof terrace and sauna, is available for wedding week at only \$8,500.

Prince Charles
United Press International
THERE is a mental photograph many Britons cherish as though it were a family heirloom. A small, somewhat chubby boy is finishing far behind in a school sprint but his teeth are clenched, his chin set and he is driving himself as fast as his little legs will push him in hopeless pursuit of the winners.

On that long-ago day great waves of sympathy surged out from British parents toward the boy on the television screen, even though he was by far the most favored among them. Little boys are little boys, and it was hard to attach him at that moment to the great titles and rich estates of his position as Prince Charles, heir to the throne.

Queen Elizabeth II comforted her son but in retrospect he really won more than he lost that day. The race showed the one quality — determination — that above all has made him the success he has been as the good right arm of his mother. It may have been overlooked because there were other things to marvel at at the time — an heir to the throne not only at a school with other children for the first time but actually competing against them in fair and open competition.

Prince Charles' father, Prince Philip, once said it was too much to expect royalty to excel at everything, or even anything; they could only do their best. Prince Charles was an average student, a slightly better than average athlete, but far above average in his determination to learn all he could about his country and his job and to accomplish all the things he wanted to do.

His willingness to take chances — much to the concern of Buckingham Palace — earned him the nickname "Action Man" that he detests. He has flown supersonic jets, landed helicopters on flight decks in stormy seas, taken a free-fall parachute jump in which he was briefly entangled with the ropes. Recently, he has been falling off steeplechase horses in pursuit of his ambition to ride in the world's toughest and most dangerous horse race, the 4 1/2-mile Grand National.

Experts say he lacks the natural ability for this venture. But that has never stopped him before — except where Queen Elizabeth has issued a personal order to desist. One such edict is expected if he continues his steeplechase career.

Obvious Dedication
His obvious dedication to his job and the monarchy, his zest for life, including a prodigious sequence of girlfriends, have not gone unnoticed. According to media polls, he has become the most popular member of the royal family.

His appearance has also helped. He is not conventionally handsome, but at 32 he is well-built, carrying his 5 feet 10 inches (1.77 meters) and 165 pounds (75 kilograms) like the active man he is (polo, swimming, skiing, and so on). To his chagrin, his once-thick, brown wavy hair is thinning.

What Prince Charles, with his prominent ears and thin face, may lack in the screen-star looks of, say, his younger brother Prince Andrew, he makes up in charm and personality. All these qualities and the aura of his position as the most eligible bachelor in the world have often led his name to be linked romantically to beautiful women. The seemingly endless speculation on the prince's romances ended on Feb. 24, 1981, when Buckingham Palace announced that he would marry Lady Diana Spencer, then 19.

Prince Charles is the end product of an ancient blood line. King Henry VIII was one of his great forebears and Charles' great-grandfather. He was raised in palaces the size of museums and with as many treasures, and he has been aware from an early age that his destiny was not that of other men.

He was spanked from time to time for misbehavior or for rudeness to servants, as any child might have been in a palace still addicted to corporal punishment. But he was never just another boy, nor could he be aware.

Yet within the constraints of his position he represents another step in the gradual move toward eliminating some of the crusty formality of the British crown.



Lady Diana Spencer and Prince Charles.

The Royal Couple: Determination and Poise

Prince Charles

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Lady Diana Spencer

By Leslie Dowd
LONDON — At the age of 20, Lady Diana Spencer faces the ordeal of appearing before a world television audience of 500 million Wednesday when she marries Prince Charles. Yet her performance in public to date, under constant pressure from the press, has brought general confidence that she will be steadfast on the day.

Lady Di, as she is now familiarly called, has in fact near-perfect credentials for the grueling royal life, which requires poise and tact.

She grew up on the royal country estate at Sandringham in a house rented by her courtier father, and from her earliest days Queen Elizabeth II was "Aunt Lilibet." Yet Lady Diana has won the affection of the British, who regard her as sweet and unaffected.

She is, like Prince Charles, a direct descendant of King James I. This makes the couple 16th cousins. Lady Diana is also descended five times from King Charles II.

Lady Diana, a tall, blue-eyed blonde, is showing a cool, pleasant face to the world as she prepares for the excitement of the day, although she is the center of interest when she appears at the theater, a garden party or the races, always dressed with conservative good taste.

Women note with deep interest what she wears, which influences fashions. Her wedding dress, by the young London designers David and Elizabeth Emanuel, is being treated as a state secret to be disclosed on the wedding day.

Her only public pronouncement has been when the engagement was announced Feb. 24. She was asked how she thought she would cope. She replied: "With Charles by my side, I can't go wrong," and added, "I never had any doubts at all."

Playmate of Princes
Diana Frances Spencer was born July 1, 1961, third daughter of Viscount Althorp, heir to the seventh Earl Spencer. Her mother was a daughter of the fourth Baron Fermoy.

She knew Prince Charles as a child, but her playmates were his young brothers, Princes Andrew and Edward. When she was at school, it was with Prince Andrew that she exchanged letters.

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By Louis B. Fleming
Los Angeles Times Service

LONDON — Prince Charles and Lady Diana have played an active role in planning their wedding service, helping write a special prayer and reviewing every detail, but they have not had the last word.

The arbiter has been Queen Elizabeth II, according to sources close to the royal family. They have been treated much as any other young couple planning a marriage, even to a lecture on sexual and family responsibility from the man who will witness their vows and pronounce them "man and wife together," the archbishop of Canterbury, the Most Rev. Robert Runcie.

The service already has stirred controversy over the failure to grant a speaking role to any woman except the bride, the fact that there will be no blacks in the choir or procession, and the unprecedented inclusion of a Roman Catholic among the other Christians at a royal service of the Church of England.

And not a few eyebrows have been raised by the decision to permit Lady Diana to avoid a promise to obey her husband.

Final Preparations
But it is not easy to avoid controversy in the excitement of the final preparations the week before the wedding. That was evident in London on Tuesday when the official wedding program became front-page news in The Guardian because of comments on the conspicuous masculinity of the rampant lion and unicorn gracing the specially printed royal heraldry on the program cover.

The Very Rev. Alan Brunskill Webster, dean of St. Paul's Cathedral, where the marriage will take place, contrasted the role of Prince

Charles and his betrothed with some royalty on other occasions. "They are more personally concerned with the words of the service," he said. "They have thought this out. At every point they have been involved."

He was in the parlor of his quarters at No. 9 Amen Court, just off Warwick Lane, around the corner from the cathedral, the floor beside him piled high with documents, plans, correspondence, including a charming handwritten letter from Lady Diana: "Dear Dean" — penned on Buckingham Palace stationery.

It was the dean who had insisted on making the wedding an ecumenical occasion, including Cardinal Basil Hume, who is the archbishop of Westminster and Roman Catholic primate of England, as well as representatives of other Christian churches. In 1977, when the queen celebrated her jubilee at St. Paul's, a similar proposal for ecumenical representation had been refused, the dean noted.

He acknowledged disappointment that a proposal for a woman to read one of the prayers, and for a black clergyman also to participate, did not win approval. A woman in robes will join in the procession. The Church of England does not permit the ordination of women as priests but has deaconesses.

The exclusion of blacks was not overtly discriminatory for racial reasons, it is understood. There had been agreement to restrict the number of priests who would read with Archbishop Runcie, called "the jack-in-the-box effect" of too many people popping up and down to read something. Those chosen to read were from a narrow circle known personally to and selected by the royal couple.

Grandeur and Solemnity
The service, expected to last one hour, will commence at 11 a.m. local time Wednesday in a grandeur and solemnity that will include some of the greatest music of British tradition and the church, all personally selected by the royal couple, according to Archbishop Runcie.

"I wouldn't say there weren't any suggestions made," the archbishop added. He shares a concern now with Dean Webster, that the wedding might somehow become only a television spectacular in which the religious significance might be lost. But both the archbishop and the dean report that Prince Charles and Lady Diana do not see themselves as actors.

"They impressed me with the seriousness with which they approached the matter as loyal Christians," Archbishop Runcie said after a long meeting with the couple — a meeting that he said was "not confined to arrangements for the service."

"It's their wedding and this is what they are committed to," he said. "I know Prince Charles and Lady Diana look on it as a personal and religious event," Dean Webster said.

The form of the service is not precisely that of the prince and his lady wanted, Archbishop Runcie indicated. The archbishop was determined to use the traditional form for the vows, he explained, because "it is the most familiar form in the English-speaking world." Church of England strictures limit the innovations.

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"They impressed me with the seriousness with which they approached the matter as loyal Christians," Archbishop Runcie said after a long meeting with the couple — a meeting that he said was "not confined to arrangements for the service."

"It's their wedding and this is what they are committed to," he said. "I know Prince Charles and Lady Diana look on it as a personal and religious event," Dean Webster said.

The form of the service is not precisely that of the prince and his lady wanted, Archbishop Runcie indicated. The archbishop was determined to use the traditional form for the vows, he explained, because "it is the most familiar form in the English-speaking world." Church of England strictures limit the innovations.

Huge TV Audience

LONDON — TV executives expect the royal wedding of Prince Charles and Lady Diana Spencer to blitz world ratings. "It will be the biggest TV audience ever," says Derek Goleworthy, head of international programming for British Telecom. "I think it's going to go above 750 million viewers."

Few Close Friends

Prince Charles has few close friends and, before Lady Diana, he used to spend evenings alone in his apartment listening to classical music. His other major recreations are fishing, game shooting and riding. He is a good polo player but refuses to be as hard on his horses as great players must be.

The Schedule

LONDON — Following is the timetable for the wedding of Prince Charles and Lady Diana Spencer next Wednesday (all times are local summer time):
10:14 — Foreign crowned heads of state leave Buckingham Palace by car. Arrive St. Paul's at 10:25.
10:18 — Procession of clergy in the cathedral.
10:20 to 10:25 — Guard of honor takes position on cathedral steps to await royal arrival.
10:22 — The queen's carriage procession — members of the royal family — leaves Buckingham Palace. Arrives St. Paul's at 10:42.
10:30 — Carriage procession of the bridegroom leaves Buckingham Palace. Arrives St. Paul's at 10:50.
10:35 — Carriage procession of the bride leaves Clarence House. Arrives St. Paul's at 10:55.
11:00 — Bride's procession down the aisle begins the marriage ceremony. The dean reads the opening exhortation and the Archbishop of Canterbury conducts the marriage and gives his blessing. Prayers are said by leaders of the Church of England, the Presbyterian Church of Scotland and the Roman Catholic Church in England. The speaker of the House of Commons reads the lesson.
12:10 p.m. (approximately) — Marriage service ends.
12:20 (approximately) — Carriage procession of the bride and bridegroom leaves cathedral for Buckingham Palace.
12:25 — Queen's carriage procession leaves cathedral for Buckingham Palace.
12:42 — Arrival of carriage procession of the bride and bridegroom at Buckingham Palace.
12:45 — Arrival of the queen's carriage procession. Arrival of foreign crowned heads and other guests attending wedding breakfast.
1:15 (approximately) — Royal family appears on the balcony at Buckingham Palace.
4:00 (approximately) — Departure of the Prince and Princess of Wales by carriage procession to Waterloo Station en route to their honeymoon.

Promise Refined

"I don't want you to make too much of this, but in the Middle Ages the promise was to be bonnie, buxom in bed and in board," he recalled. "That was refined to a single 'obey.'"

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Lambsdorff Says U.S. Strategy In Inflation Fight Lacks Balance

By Leonard Silk
New York Times Service

OTTAWA — Otto Graff Lambsdorff, the West German minister of economics, has sharply disagreed with the contention of top U.S. officials that the West European governments had offered no alternatives to the monetary, fiscal and foreign exchange rate policies pursued by the Reagan administration.



Otto Graff Lambsdorff

(Under current rate conditions, he complained, "all our liquidity goes to New York, and this is not acceptable.") The central bank will be given more leeway in dealing with interest rates and the state will have to restrict its spending, he said.

President Reagan and Treasury Secretary Donald T. Regan had sought at the summit to persuade the Europeans that they were wrong in their appraisal of United States fiscal policy. Mr. Regan said in an interview that he had asked the Europeans: "Do you realize what we are doing in the area of budget cutting?"

In an interview Tuesday, Mr. Lambsdorff stressed that the West German concern was not over the goal of bringing inflation down, but rather over the way the United States was going about it. Voicing the same misgivings expressed by other Europeans and by the Commerce Department, he asked: "Is there a justified mix between United States monetary and fiscal policy?"

The West German official contended that the answer was no — that the U.S. government was putting too much of the burden of fighting inflation on the monetary side. Overloading monetary policy, he said, was driving interest rates in the United States and Europe higher than needed.

He stressed that over the next five years, the Reagan administration would be cutting a total of \$375 billion from President Carter's budget projections.

But Secretary Regan and other Americans appear to have had little success in changing the Europeans' attitude that U.S. fiscal policy was too loose. Mr. Regan said he had been successful only with Sir Geoffrey Howe, Britain's chancellor of the exchequer, but conceded that he might have needed little convincing, given the like approaches of the Reagan and Thatcher governments.

U.S. Oil Companies Post Gains On Strong Dollar

The Associated Press

NEW YORK — Exxon, the world's largest oil company, said Wednesday its second-quarter profits were up 77 percent, but said they would have been down were it not for the strong dollar.

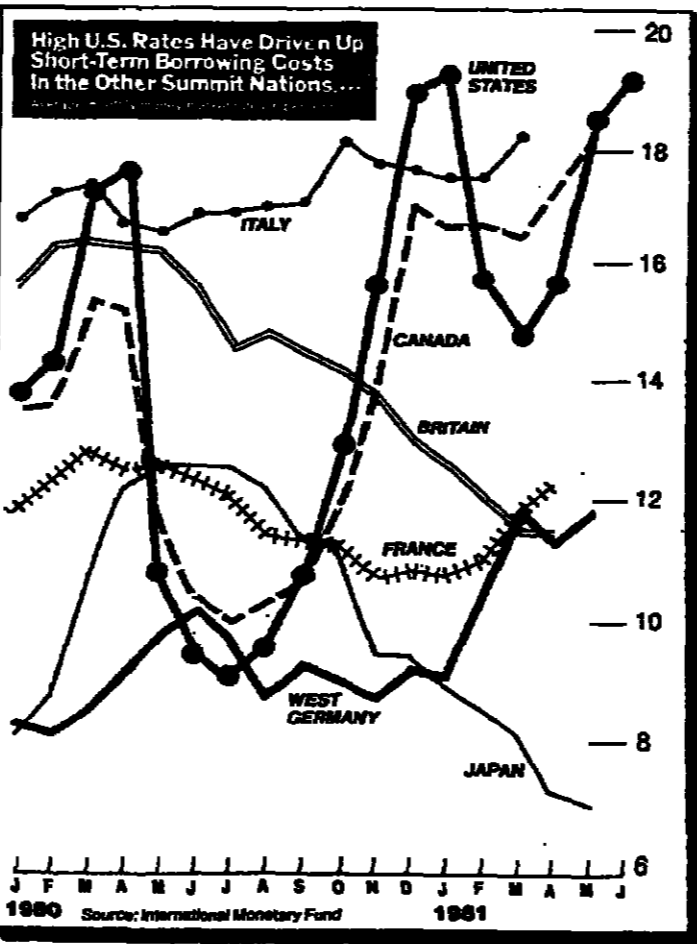
Exxon's report, coupled with those of Standard Oil Co. of Indiana and Conoco Inc., indicated the oil industry is recovering from some of the problems that plagued it earlier this year, when most companies reported lower first-quarter profits. Exxon said it earned \$1.835 billion, or \$2.11 a share, in the second quarter, up from \$1.030 billion, or \$1.18 a share, a year earlier. But the entire increase came from a surge in profits caused by foreign currency translations and Exxon said operating profits were down 13 percent. Revenues rose 5 percent to \$27.5 billion from \$26.2 billion.

sixth-largest U.S. oil company, reported its earnings rose 13 percent to \$552.8 million, or \$1.90 a share, from \$488.2 million, or \$1.68 a share. Revenues were \$8.1 billion, up from \$7.2 billion.

Conoco Inc., the No. 9 oil company and the target of a takeover battle, said its operating profits fell 36 percent to \$158.7 million, or \$1.54 a share, from \$249.6 million, or \$2.32 a share. Revenues rose to \$4.9 billion from \$4.7 billion. Conoco, which owns Consolidation Coal Co., the nation's second-largest coal company, said the drop was largely caused by the coal strike that ended during the quarter.

Mr. Lambsdorff also expressed the view that the United States was conducting its monetary policy in too rigid and doctrinaire a way, trying to control the money supply on a week-to-week basis. He said West Germany had managed to control its money supply without forcing interest rates to such "extraordinary" levels.

At a news conference, Reagan said Edwin Meese 3d was explicit in denying that the Europeans had offered criticism or counterproposals to U.S. policy. "They didn't offer any alternatives or criticize what we are doing," he said, asserting that there was "not any suggestion that we change our tax cut, particularly as they understood the facts of the tax cut, and as they recognize the fact that we have to improve saving and improve investment."



Dow Hits Lowest Level of Year

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange closed Wednesday at their lowest level of the year with most of the decline recorded in the last hour of trading.

The Dow Jones industrial average was slightly higher most of the day but lost steam in late afternoon to close at 925.66, off 9.80 points. The previous low of 931.57 was reached on Feb. 13. Declines led advances by 959 to 494 and volume edged up to about 47.5 million shares from 47.3 million Tuesday.

New Jersey Democrat said he may hold hearings in the fall on the Reagan administration's antitrust policy.

Wall Street has been reeling since the Federal Reserve last week reported a surge in the U.S. money supply. As a result, interest rates have remained high and probably will do so for a while.

Despite the high rates, the dollar fell sharply in Europe after increased intervention by central banks and news of a sharp dip in the U.S. economy and inflation. The dollar's decline boosted gold \$2 to \$411.50 an ounce in London. Most London dealers attributed

U.S. Oil Companies Post Gains On Strong Dollar

Standard Oil of Indiana, the

Standard Oil of Indiana, the

Standard Oil of Indiana, the

Poland's Bank Debt Put at \$16.2 Billion

Reuters

BASEL — Poland owed Western banks a total of \$16.2 billion at the end of 1980 which \$5.35 billion was due for repayment by the end of this year, according to statistics published Wednesday by the Bank for International Settlements.

The publication of the BIS semi-annual report on maturity distribution of international bank lending as of the end of 1980 coincides with a meeting in Zurich of a 19-bank task force, which is attempting to reach an agreement on rescheduling Poland's 1981 debts to Western banks.

Overall, the maturities of international loans made by Western banks shortened in the second half of 1980 after tending to lengthen since mid-1978, BIS said.

Lending to developed countries outside the industrialized countries, however, was the exception to this trend, the report said, with only 36 percent of the \$5.5 billion of banks' claims on developed countries outside the reporting area in the up to one year category.

Conoco Files Antitrust Suit Against Mobil

From Agency Dispatches

STAMFORD, Conn. — Conoco said Wednesday that it has filed an antitrust lawsuit against Mobil and asked a federal court to prevent Mobil from purchasing Conoco shares through a tender offer or other means. Mobil is attempting to take over Conoco in competition with bids from Seagram and Du Pont, which has already entered into a merger agreement with Conoco.

Mr. Lambsdorff said the notion of nonintervention in the foreign exchange markets simply "fits into the textbook of monetarism." He was critical of Beryl Sprinkel, U.S. undersecretary of the Treasury for monetary affairs, for pushing his belief in monetarism so rigidly and dogmatically. But he added: "At least it is our impression that he has started to listen."

The economics minister was also critical of the United States for its unwillingness to intervene in foreign exchange markets to prevent erratic movements disturbing to other countries.

Chase Plans Investment in Pittsburgh Bank

Washington Post Service

WASHINGTON — Chase Manhattan, parent company of the third-largest U.S. bank, has announced plans to invest \$125 million in Equibank, a Pittsburgh bank holding company with an option to purchase its commercial banking subsidiary, Equibank.

The move would enable Chase to position itself to offer interstate services if federal laws prohibiting such branching are modified. Chase will buy \$25 million of nonvoting preferred stock in Equibank, which lost \$33 million in the last quarter, and a similar amount in Equibank. Chase also will advance \$75 million to Equibank for five years at an interest rate of 14% percent.

The figures are based on returns from banks in the Group of 10 countries as well as Switzerland.

CURRENCY RATES

Currency	Per U.S.	Currency	Per U.S.	Currency	Per U.S.
Amsterdam	2.7245	DM	1.1135	FR	6.5596
Brussels (a)	40.81	FF	14.337	IT	1.366
Frankfurt	2.467	DM	1.1135	JP	161.07
London (b)	1.6252	DM	1.1135	UK	1.4836
Madrid	167.15	DM	1.1135	US	1.0000
New York	1.0000	DM	1.1135	Y	200.48
Paris	6.5596	DM	1.1135		
Zurich	2.0048	DM	1.1135		
ECU	1.8073	DM	1.1135		

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U.S. GNP Declined 1.9%

Interest Rate Squeeze Cited in 2d Quarter Drop

From Agency Dispatches

WASHINGTON — The U.S. output of goods and services, squeezed by persistently high interest rates, fell at a 1.9 percent seasonally adjusted annual rate in the second quarter, the Commerce Department reported Wednesday.

With economic activity essentially flat since January, and the high level of interest rates also helping push down many sensitive commodity prices, the inflation rate also dropped sharply from a 9.8 percent rate in first quarter to only 6 percent in the second, the department said. It was the lowest level of inflation, as measured by the GNP deflator, in three years.

Most forecasters, including those in the Reagan administration, expect no pick up in the economy until late this year or early in 1982. In updating its forecast last week in connection with the mid-year budget review, the administration declared, "little or no real output growth is expected during the remainder of the year."

Unemployment Outlook

Also as part of that forecast, the Reagan economists predicted that the unemployment rate, which was 7.3 percent in June, would average 7.7 percent in the fourth quarter. Real output — the gross national product after adjustment for price changes — had risen at a surprisingly swift 8.6 percent annual rate in the first quarter. But most analysts said a number of statistical quirks had boosted that figure.

Penn Central, Colt In Pact

NEW YORK — Colt Industries, a diversified manufacturer in aerospace, chemicals and construction, said Wednesday an agreement in principle for the merger of Colt into a subsidiary of Penn Central, valued at \$1.4 billion, has been signed.

Under the agreement, Penn Central, which has interest in energy supplies and real estate, will pay the equivalent of \$100 per share for each of the \$14 million outstanding shares of Colt. Colt said the agreement requires that a maximum of 40 percent, or 560 million shares of Colt common stock, would be acquired for cash with the balance being acquired for a package of Penn Central convertible preferred and common stock.

\$12-Million Chrysler Profit Is First Gain Since 1978

WASHINGTON — Chrysler Corp. kept afloat in part with \$12 billion in federal loan guarantees, has posted its first quarterly profit since 1978, Chairman Lee A. Iacocca said Wednesday.

Mr. Iacocca said the company, on the verge of bankruptcy only last year, registered a slight profit of \$12 million in the April-June quarter.

Loh
The quarterly report as of 31st March 1981 of **Leveraged Capital Holdings N.V.** has been published and may be obtained from **PIERSON, HELDRING & PIERSON N.V.** Amsterdam.

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THE DAI-ICHI KANGYO BANK LTD. (CDRs)

On April 16th, 1981 the Board of Directors of The Dai-ichi Kangyo Bank Ltd., resolved to increase the number of its outstanding shares of 1,920 Million with 480 Million New Shares in the way described below:

- Shareholders of record as of July 20th, 1981 will be entitled to subscribe for 0.25 New Shares to 1 old Share held.
- Subscription price: Yen 50. per New Share.

In this connection Div. epn. no. 16 detached from the existing CDRs has been designated for the exercise of the rights to the effect that surrender of 4 Div. epn. no. 16 entitles to subscribe for one new CDR representing 100 Ordinary Shares of The Dai-ichi Kangyo Bank Ltd. of Yen 50. each cum Div. epn. no. 18 a.c.e. and talon.

(Div. epn. 17 has been designated for cash-dividend re-date 31.3.1980).

Subscriptions for new CDRs shall be accompanied by a payment of Dfls. 60.- per CDR subscribed for, for settlement against the definitive subscription amount due.

In order to enable CDR holders to exercise their subscription rights the possibility will be open to submit their subscription for new CDRs at the office of the undersigned in Amsterdam from 17th August, 1981 to 3rd September, 1981 16.00 hours.

If on 3rd September, 1981 16.00 hours, any Div. epn. no. 16 should not have been surrendered for subscription the rights represented by such coupons will be sold in Tokyo and the proceeds thereof will then be made payable on such still outstanding Div. epn. no. 16.

After 1st October, 1981 the new CDRs will be available at Kas-Associatie N.V. in Amsterdam.

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Amsterdam, 13th July, 1981.

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Financial highlights

for the year ended 31st March 1981 (in U.S.\$ 000's)

	31 March 1981	31 March 1980
Total assets	449,647	313,598
Loan Portfolio	258,444	177,847
Deposits with banks	163,575	119,067
Capital and reserves	13,067	12,365
Profit after tax	977	781

* The above U.S. Dollar amounts are calculated by converting our audited balance sheets at the middle rate for financial balance francs prevailing on the 31st March 1981.

SHAREHOLDERS

- The Long-Term Credit Bank of Japan, Ltd. and its two subsidiaries 50%
- The Eurotopians Group 40%
- Banco di Roma S.p.A. (through its subsidiary Banco di Roma International Holding S.A.) 10%
- Banco Hispano Americano (through its subsidiary Banco Hispano Americano Holding Luxembourg S.A.) 10%
- Commerzbank AG 10%
- Crédit Lyonnais 10%
- The Mitsui Bank, Ltd. 10%

(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 100. (d) Units of 1,000.

Hunts Fined in Soybean Futures Case

WASHINGTON — Seven members of the billionaire Hunt family of Texas Tuesday agreed to pay a fine of \$500,000 for violating the rules of the soybean futures market in 1977.

The fine is the largest ever imposed by the Commodity Futures Trading Commission, but is a small fraction of the profits the Hunts are believed to have made in their soybean-buying spree.

The CFTC charged in April 1977 that brothers Nelson Bunker Hunt and W. Herbert Hunt and five of their children bought contracts for almost 24 million bushels of beans — eight times the 3 million bushel limit set by the government.

The Hunts claimed they did not violate the limit because each of them individually owned fewer than 3 million bushels.

But CFTC officials accused the Hunts of acting in concert, and federal courts upheld the charge. The CFTC said Bunker and Herbert Hunt opened soybean trading accounts for their children and

shifted beans into the youngsters' names to circumvent the limit.

As is usual in such cases, the Hunts neither admitted nor denied they did anything wrong, but agreed to accept the penalty imposed by the settlement. Besides the fine, the Hunts also agreed to abide by a permanent injunction prohibiting them from exceeding the limit on holdings of any commodity and prohibiting them from using the soybean futures market for two years.

"As every businessman or corporate executive knows, there comes a time after years of expensive and protracted controversy to reach a settlement," said family spokesman Tom Whitaker.

Originally, the government tried to force the Hunts to pay back the

profits they earned when the price of soybeans jumped from \$6.50 a bushel to \$10.35. At the time, the Hunts were estimated to have made at least \$30 million on their 24 million bushels of beans.

But the CFTC gave up trying to make the Hunts give back their profits and wound up settling for the fine and a court injunction.

Last week, Hunt lawyers obtained a federal injunction restricting a Securities and Exchange Commission investigation of their silver trading last year. The CFTC also is investigating whether the Hunts were manipulating the market when silver prices jumped from less than \$10 an ounce to \$50 and then collapsed, costing the Hunts more than \$1 billion.

Paris Reported to Clear Bid by Elf

NEW YORK — The French government has decided not to interfere with state-controlled Elf Acquisitions' \$2.87 billion offer for Texagulf Inc because it is a commercial matter, according to Wall Street sources.

Meanwhile, a spokesman for the French company said "Elf Acquisitions is under a legal obligation to proceed in a timely manner with Texagulf and that is what it's doing." Despite a request from the United States asking that France delay the acquisition of Texagulf, Elf started Tuesday to pay for Texagulf's tendered shares.

A spokesman for Salomon Brothers, which is handling the tender offer for Elf, said that quite a few of the shares had already

been tendered. He declined to disclose the amount. Elf has agreed to pay \$56 a share for Texagulf common stock and \$178.49 a share for its preferred stock.

The Committee on Foreign Investment in the United States, an interagency body led by the Treasury Department, had requested that the offer for Texagulf, one of the largest producers of sulfur, be delayed until it finished a review of the takeover.

Robert Levine, a spokesman for the committee, said that he did not know whether the United States government would take further action to delay the acquisition. However, it appeared that the committee does not have the legal means to prevent the shares from being acquired.

EIB Issue Withdrawn

LONDON — The \$150-million, eight-year Eurobond for the European Investment Bank has been withdrawn due to poor market conditions, lead manager Union Bank of Switzerland (Securities) said Wednesday.

UBS had indicated the bond's price would be 97 1/2 percent, compared with an earlier indicated 94 percent, but even that was not deemed adequate with the deterioration of the market after the sharp rise in U.S. money supply the lead manager said.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Company	1981	1980	1979
United States			
American Can			
2nd Quar.	1981	1980	1979
Revenue	1,170	1,178	1,178
Profits	22.4	23.9	23.9
Per Share	1.11	1.19	1.19
1st Half	2,337	2,320	2,320
Revenue	2,337	2,320	2,320
Profits	45.8	47.8	47.8
Per Share	2.24	2.34	2.34
4 Months	976.8	976.8	976.8
Revenue	976.8	976.8	976.8
Profits	60.6	62.6	62.6
Per Share	3.03	3.13	3.13
1st Half	1,953.6	1,953.6	1,953.6
Revenue	1,953.6	1,953.6	1,953.6
Profits	121.2	125.2	125.2
Per Share	6.06	6.26	6.26
1st Half	1,953.6	1,953.6	1,953.6
Revenue	1,953.6	1,953.6	1,953.6
Profits	121.2	125.2	125.2
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1st Half	1,953.6	1,953.6	1,953.6
Revenue	1,953.6	1,953.6	1,953.6
Profits	121.2	125.2	125.2
Per Share	6.06	6.26	6.26
1st Half	1,953.6	1,953.6	1,953.6
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Profits	121.2	125.2	125.2
Per Share</			

NYSE Nationwide Trading Closing Prices July 22

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	12 Month Low	Stock	In %	Yld.	P/E	Stk.	High	Low	Close	Change	12 Month High	12 Month Low	Stock	In %	Yld.	P/E	Stk.	High	Low	Close	Change
7 1/4	5 1/4	Walt Disney	40.0	2.5	12	134	134	134	134	+1/4	134	134	134	40.0	2.5	12	134	134	134	134	+1/4
19 1/2	17 1/2	Walt Disney	40.0	2.5	12	134	134	134	134	+1/4	134	134	134	40.0	2.5	12	134	134	134	134	+1/4

U.S. COMMODITY PRICES

Commodity	Unit	Open	High	Low	Settle	Change
Wheat	bu	210.00	210.00	210.00	210.00	0.00
Wheat	bu	210.00	210.00	210.00	210.00	0.00
Wheat	bu	210.00	210.00	210.00	210.00	0.00

Selected Over-the-Counter

Symbol	Price	Symbol	Price
AEI	14 1/2	AMT	24 1/2
ALF	14 1/2	AMT	24 1/2
ALF	14 1/2	AMT	24 1/2

Floating Rate Notes

Bank	Rate	Bank	Rate
Bank of America	11 1/2%	Bank of America	11 1/2%
Bank of America	11 1/2%	Bank of America	11 1/2%

Market Summary

Index	Value	Change
Dow Jones	2,815.12	+12.34
S&P 500	1,234.56	+5.67

International Monetary

Country	Rate	Change
Japan	163.00	+0.10
Germany	1.48	+0.01

New York Futures

Commodity	Price	Change
Wheat	210.00	0.00
Wheat	210.00	0.00

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 on July 20, 1981: U.S. \$90.19

Listed on the Amsterdam Stock Exchange

Information: Pierson, Hedding & Pierson N.V.,
 Herengracht 214, 1016 BS Amsterdam.

AMEX Index

Symbol	Price	Change
AMEX	100.00	+0.50

Paris Commodities

Commodity	Price	Change
Sugar	25.00	+0.10
Cocoa	15.00	+0.05

Cash Prices

Commodity	Price	Change
Gold	350.00	+0.50
Silver	10.00	+0.05

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 - le résumé de l'avancement des travaux en rapport avec les dépenses engagées.
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AMEX Nationwide Trading Closing Prices July 22

Tables include the nationwide prices up to the closing on Wall Street.

Main table of AMEX Nationwide Trading Closing Prices July 22, listing various stocks and their prices.

Table of international stock prices, including sections for 12 Month Stock High Low Div. and 32 Month Stock High Low Div.

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Classified advertisements including sections for AUTO SHIPPING, AUTO TAX FREE, ESCORTS & GUIDES, and EDUCATION.

Toronto Stocks

Table of Toronto Stock Closing Prices, July 21, 1981, listing various Canadian stocks.

Montreal Stocks

Table of Montreal Stock Closing Prices, July 21, 1981, listing various Quebec stocks.

European Stock Markets

Table of European Stock Markets for July 22, 1981, listing prices for Amsterdam, Paris, London, Zurich, Brussels, Frankfurt, and Milan.

Canadian Indexes

Table of Canadian Indexes for July 22, 1981, including Montreal and Toronto indices.

European Gold Markets

Table of European Gold Markets for July 22, 1981, listing prices for London, Zurich, and Amsterdam.

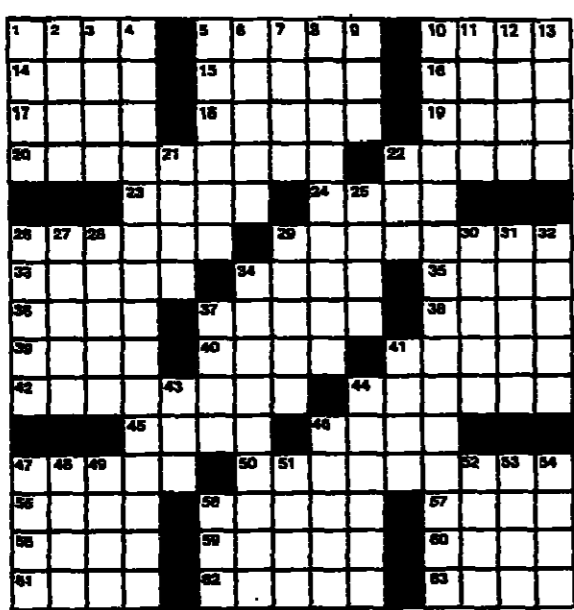
Gold Options

Table of Gold Options for July 22, 1981, listing prices for various gold contracts.

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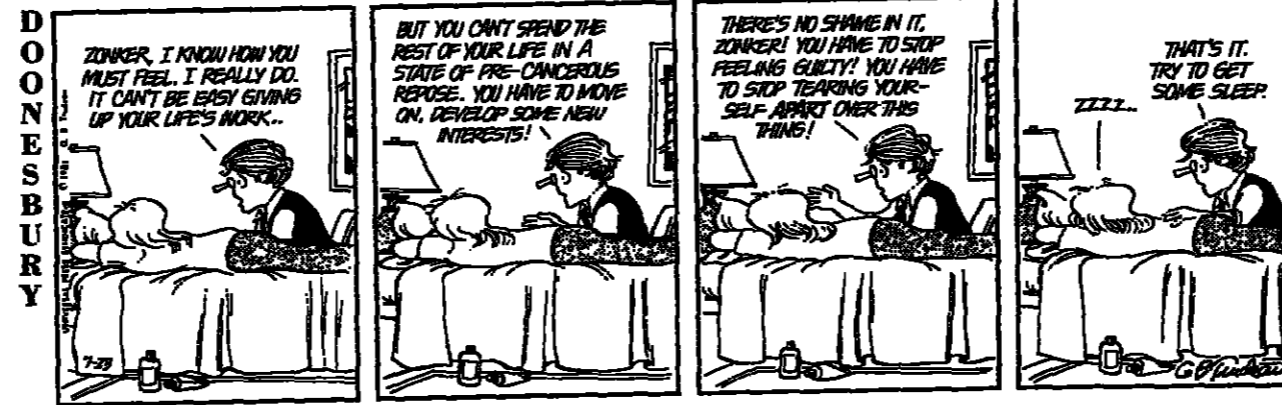
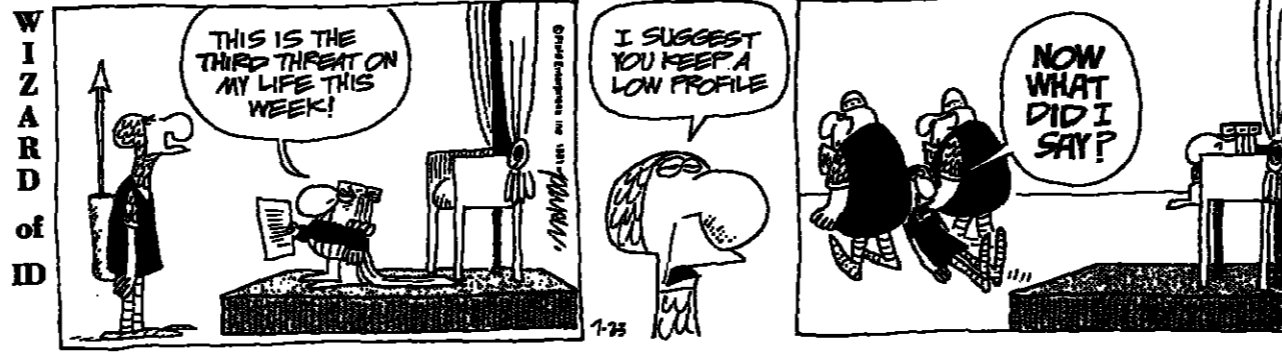
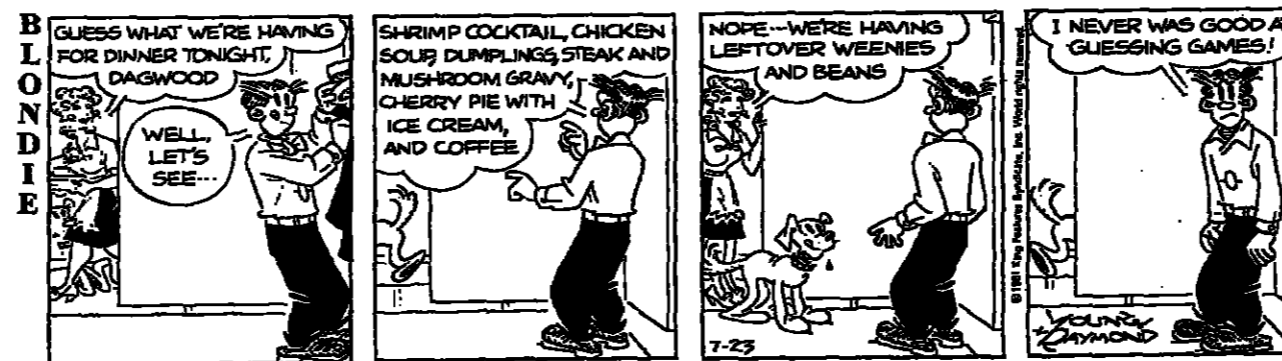
CROSSWORD By Eugene T. Malachuk



- ACROSS
1 A Waugh
5 Dry or moist
10 Shoemaker's need
14 PBS science program
15 TV backdrops
16 "Whistle-Pu" (Latin version)
17 Martin or Anthony
18 Onset
19 Part of Q.E.D.
20 Gale on the Beaufort scale
22 Thank-you ma'am
23 Some voices
24 An Athens is here
26 Type of chimney
29 Redolent
33 Gorge
34 Spoken
35 Concept
36 Botswana money
37 -- goose (kin of a dead duck)
38 -- grapes
39 Square footage
40 Erosion
41 Alphabetical quintet
42 Accumulated
44 Meets old classmates
45 Firth of Clyde leader
46 S.A. monkey
47 Corset
48 adjectives
49 Where to find an axon
50 Dill or thyme
51 Kayak's cousin
52 Swiss painter: 1875-1940
53 Alaskan island
54 John Jacob
55 Sort of yore
56 Swiss painter: 1875-1940
57 Alaskan island
58 John Jacob
59 Sort of yore
60 Swiss painter: 1875-1940
61 Author featured herein
62 Prof. for physics or dynamics
63 Seeger or Hamill
64 Dawn goddess
65 Conscience
66 Joss
67 S.A. unit
68 G.B.S.
69 Male (jazz)
70 Craze
71 Within: associate
72 Comb. form
73 Threat word
74 Impart
75 Drags
76 Job for Lupin
12 Spill over
13 Scatter
14 newly cut grass
21 Wrinkle
22 Inflated
23 Heavy's partner
24 Thin, stunted tree
27 "Butterfield 8" author
28 He gave you a seat
29 Cold, in Calais
30 Embellish
31 N.C. river
32 What a road knave fished
34 Author featured herein
37 Prof. for physics or dynamics
41 Seeger or Hamill
43 Dawn goddess
44 Conscience
45 Joss
46 S.A. unit
47 G.B.S.
48 Male (jazz)
49 Craze
51 Within: associate
52 Threat word
53 Impart
54 Drags
55 Job for Lupin

WEATHER

Table with columns for HIGH, LOW, and weather conditions for various cities including ALABAMA, ALGERIA, AMSTERDAM, ANKARA, ATHENS, AUSTRALIA, BANGKOK, BEIRUT, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUCHAREST, BUDAPEST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA DEL SOL, DAMASCUS, DUBLIN, EDINBURGH, FLORENCE, FRANKFURT, GENEVA, HELSINKI, HONG KONG, HOUARI, ISTANBUL, JERUSALEM, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES, MADRID, MANILA, MEXICO CITY, MIAMI, MILAN, MONTREAL, MOSCOW, MURKICH, NAGASAKI, NEW DELHI, NEW YORK, OSLO, PARIS, PEKING, PRAGUE, RIO DE JANEIRO, ROME, SALSIBURY, SAO PAULO, SEOUL, SHANGHAI, SINGAPORE, STOCKHOLM, STYBNEY, TAPEI, TEL AVIV, TOKYO, TURIN, URBINO, VIENNA, WARSAW, WASHINGTON, ZURICH.



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Unscramble these four Jumbles, one letter to each square, to form four ordinary words. ENZO, OTTOH, KEDBEC, DEDUIG. Answer: IT'S ME.

DENNIS THE MENACE. 'BE REAL CAREFUL WILL YA, MR. WILSON? JOEY HERE CAN'T STAND THE SIGHT OF BLOOD!'

BOOKS

SHADOW MAN The Life of Dashiell Hammett By Richard Layman. Illustrated. 285 pp. \$14.95. Harcourt, Brace, Jovanovich, 757 Third Ave., New York 10017.

Reviewed by John Leonard

I LATE in his life, in a 1957 magazine interview, Dashiell Hammett said this: "It is the beginning of the end when you discover you have style." Somewhat earlier, in what we are told by his unauthorized biographer is "the last prose he ever wrote," which was an unfinished novel called "Tulip," he said this: "But representations seemed to me -- at least they seem to me now, and I suppose then, devices of the old and tired, or older and more tired -- to ease up, like conscious symbolism, or graven images. If you are tired you ought to rest, I think, and not try to fool yourself and your customers with colored bubbles." Much earlier, in 1934, he said this: "I'm a two-fisted loafer. I can loaf longer and better than anybody I know. I did not acquire this genius. I was born with it. I quit school when I was 13 because I wanted to loaf. I sold newspapers for a while, loafed, became a stevedore, loafed, worked in a machine shop, loafed, became a stockbroker, loafed, went into the advertising business, loafed, tried hooching in earnest, loafed, became a Pinkerton detective for seven years and went into the Army." If we put together style, bubbles, being tired, drinking and smoking too much, bad lungs, Brooks Brothers, Hollywood, the Moscow trials, 30 years of Lillian Hellman, a black chauffeur, loveless ears and "an underdeveloped little toe," we might arrive at some idea of Hammett. Then, again, we might not, because we would have failed to take into consideration a Catholicism he rejected; a father he resented, a marriage he was much about and a failure of nerve or will that left him, after five novels, speechless for almost three decades -- as if literature had asked him a question to which he replied by invoking the Fifth Amendment against self-incrimination. Still, like a shadow, he evades us. He was very thin. Richard Layman's biography of Hammett is unauthorized. Lillian Hellman, apparently, would not cooperate. Layman does some sneering at Hellman's expense, to the ridiculous extent of implying that she somehow ran away with Hammett's copyrights after his death. On Layman's own evidence, she bought up those copyrights from an estate that found itself hundreds of thousands of dollars in tax debt. Hellman, of course, is not an angel. She has given us Hammett, in her various memoirs, by the enigmatic spoonful. One would guess she intends an authorized biography to fit her own conscience. One hopes the

more interesting than Layman's book: it is a face that wants to love itself more than it thinks is justifiable. The Yahoo got him, for contempt. I suspect that his contempt for himself was larger than the Yahoo's were capable of imagining. The Yahoo's own wear jodhpurs, and Hellman is possessive, and I am sad. I wish his novels and her plays were as good as her memoirs and my best friends. The customers need a Sam Spade at the children's hour, with some style. John Leonard is on the staff of The New York Times.

BRIDGE

By Alan Truscott

FOR the player who has learned the rudiments, there are five ways to attempt to improve. The obvious one is to keep playing, on the theory that experience is a great teacher. This can work if the other players in the game are slightly better; many great players have followed this route. However, for the great majority, something more is needed, and some combination of the following must be considered. Reading can be most helpful, but unfortunately the average bookstore has a small selection of bridge books and generally the wrong ones at that. The student does better to write to The Bridge World, 39 W. 94th St., New York, N.Y. 10025, and ask for a catalogue. Say what you are looking for, and suggestions may be forthcoming. Self-teaching devices are a third possibility. The best of these is still Autobridge, developed in the 1930s. The first generation of computerized gadgets is not very satisfactory, but there will no doubt be improvement. A possibility that is often overlooked is watching a top-ranked player at work. Plan a session at a tournament. Ask a tournament director to point out a strong partnership that uses standard bidding methods. Sit down quietly and watch one hand only. Do not ask the expert for permission -- he is used to having kibitzers. Do not join in the conversation, but an occasional brief question between rounds is permissible. The most obvious move is to take lessons. These can be virtually useless if supplied by a friendly amateur neighbor. Or they can be highly rewarding, if provided by an experienced professional teacher who is himself an expert. A strong candidate for the title of "world's best bridge teacher" is Bill Root of Boca Raton, Fla. For nearly a quarter of a century, he has taught large groups in New York and Florida. The total number of students he has taught is probably greater than anyone else in North America and would be hard to match anywhere in the world. His playing credentials are impressive, for he has won several national titles and has twice represented the United States in the world team championship. In the recent Cavendish Club Charity Pair in New York, he played with his favorite partner, Richard Pavlicek of Fort Lauderdale, Fla., and found himself in a tricky four-spade contract on the diagramed deal. After a Stayman auction, West led the diamond four. Root played low from dummy and won the nine with the king. He then guessed right in trumps by leading the king of that suit, playing West for the jack. In making such a guess for the queen or jack of trumps, it is best to assume, other things being equal, that the opening leader has that card. His failure to lead a trump originally is a slight indication that he has an honor he wishes to protect. West won with the trump ace and led the diamond jack. The defense took two tricks in that suit and East shifted to a club. South won and took a trump finesse. This succeeded, and if the trumps had broken normally, the game would have been safe. As it was, South had to play all his trumps to extract West's ten, and he now needed four heart tricks to make his contract. The routine play was to cash the ace, king and queen, becoming the Fates when the jack did not appear. But Root realized that the trump suit break was significant. As West was long in spades and East short, the converse was likely to be true in hearts. The odds were in favor of East having the heart jack; so he led a heart from dummy and finessed the ten. When this succeeded, he heaved a sigh of relief and claimed the remaining tricks for his contract. East and West were vulnerable. Bidding: North: 1NT, 2NT, 3NT, 4NT, 5NT, 6NT, 7NT, 8NT, 9NT, 10NT, 11NT, 12NT, 13NT, 14NT, 15NT, 16NT, 17NT, 18NT, 19NT, 20NT, 21NT, 22NT, 23NT, 24NT, 25NT, 26NT, 27NT, 28NT, 29NT, 30NT, 31NT, 32NT, 33NT, 34NT, 35NT, 36NT, 37NT, 38NT, 39NT, 40NT, 41NT, 42NT, 43NT, 44NT, 45NT, 46NT, 47NT, 48NT, 49NT, 50NT, 51NT, 52NT, 53NT, 54NT, 55NT, 56NT, 57NT, 58NT, 59NT, 60NT, 61NT, 62NT, 63NT, 64NT, 65NT, 66NT, 67NT, 68NT, 69NT, 70NT, 71NT, 72NT, 73NT, 74NT, 75NT, 76NT, 77NT, 78NT, 79NT, 80NT, 81NT, 82NT, 83NT, 84NT, 85NT, 86NT, 87NT, 88NT, 89NT, 90NT, 91NT, 92NT, 93NT, 94NT, 95NT, 96NT, 97NT, 98NT, 99NT, 100NT. West: 1NT, 2NT, 3NT, 4NT, 5NT, 6NT, 7NT, 8NT, 9NT, 10NT, 11NT, 12NT, 13NT, 14NT, 15NT, 16NT, 17NT, 18NT, 19NT, 20NT, 21NT, 22NT, 23NT, 24NT, 25NT, 26NT, 27NT, 28NT, 29NT, 30NT, 31NT, 32NT, 33NT, 34NT, 35NT, 36NT, 37NT, 38NT, 39NT, 40NT, 41NT, 42NT, 43NT, 44NT, 45NT, 46NT, 47NT, 48NT, 49NT, 50NT, 51NT, 52NT, 53NT, 54NT, 55NT, 56NT, 57NT, 58NT, 59NT, 60NT, 61NT, 62NT, 63NT, 64NT, 65NT, 66NT, 67NT, 68NT, 69NT, 70NT, 71NT, 72NT, 73NT, 74NT, 75NT, 76NT, 77NT, 78NT, 79NT, 80NT, 81NT, 82NT, 83NT, 84NT, 85NT, 86NT, 87NT, 88NT, 89NT, 90NT, 91NT, 92NT, 93NT, 94NT, 95NT, 96NT, 97NT, 98NT, 99NT, 100NT. East: 1NT, 2NT, 3NT, 4NT, 5NT, 6NT, 7NT, 8NT, 9NT, 10NT, 11NT, 12NT, 13NT, 14NT, 15NT, 16NT, 17NT, 18NT, 19NT, 20NT, 21NT, 22NT, 23NT, 24NT, 25NT, 26NT, 27NT, 28NT, 29NT, 30NT, 31NT, 32NT, 33NT, 34NT, 35NT, 36NT, 37NT, 38NT, 39NT, 40NT, 41NT, 42NT, 43NT, 44NT, 45NT, 46NT, 47NT, 48NT, 49NT, 50NT, 51NT, 52NT, 53NT, 54NT, 55NT, 56NT, 57NT, 58NT, 59NT, 60NT, 61NT, 62NT, 63NT, 64NT, 65NT, 66NT, 67NT, 68NT, 69NT, 70NT, 71NT, 72NT, 73NT, 74NT, 75NT, 76NT, 77NT, 78NT, 79NT, 80NT, 81NT, 82NT, 83NT, 84NT, 85NT, 86NT, 87NT, 88NT, 89NT, 90NT, 91NT, 92NT, 93NT, 94NT, 95NT, 96NT, 97NT, 98NT, 99NT, 100NT. South: 1NT, 2NT, 3NT, 4NT, 5NT, 6NT, 7NT, 8NT, 9NT, 10NT, 11NT, 12NT, 13NT, 14NT, 15NT, 16NT, 17NT, 18NT, 19NT, 20NT, 21NT, 22NT, 23NT, 24NT, 25NT, 26NT, 27NT, 28NT, 29NT, 30NT, 31NT, 32NT, 33NT, 34NT, 35NT, 36NT, 37NT, 38NT, 39NT, 40NT, 41NT, 42NT, 43NT, 44NT, 45NT, 46NT, 47NT, 48NT, 49NT, 50NT, 51NT, 52NT, 53NT, 54NT, 55NT, 56NT, 57NT, 58NT, 59NT, 60NT, 61NT, 62NT, 63NT, 64NT, 65NT, 66NT, 67NT, 68NT, 69NT, 70NT, 71NT, 72NT, 73NT, 74NT, 75NT, 76NT, 77NT, 78NT, 79NT, 80NT, 81NT, 82NT, 83NT, 84NT, 85NT, 86NT, 87NT, 88NT, 89NT, 90NT, 91NT, 92NT, 93NT, 94NT, 95NT, 96NT, 97NT, 98NT, 99NT, 100NT.

ADVERTISEMENT INTERNATIONAL FUNDS July 22, 1981. The next quoted values are shown below are stated by the Funds based on the net asset value of the funds as of the close of business on the last business day of the month. (A) = American Funds; (B) = British American; (C) = Canadian; (D) = European; (E) = International; (F) = Japanese; (G) = Other Funds.

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